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## WEST EUROPE REPORT

No. 2070

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## CONTINUING DANGER OF TERRORISM PREDICTED, DESPITE RAF ARRESTS

Zurich NEUE ZUERCHER ZEITUNG in German 20 Nov 82 p 3

[Article by "R.M.": "Terrorism Threat in FRG Hard to Assess"]

[Text] Bonn, 18 November—The arrest within a few days of Christian Klar, Brigitte Mohnhaupt and Adelheid Schulz is viewed almost unanimously by the German press as the heaviest blow in years against the terrorist underground of the extreme left. A week ago, Brigitte Mohnhaupt and Adelheid Schulz were arrested as they went to a self-designed hiding place in a woods and 30 year-old Christian Klar was apprehended under similar circumstances east of Hamburg last Tuesday. The three are under strong suspicion of being part of the innermost leadership group of the terrorist organization RAF which calls itself leftwing revolutionary. Even members of the security apparatus were surprised that Christian Klar got caught in their net so soon after the arrest of the two women.

## Police Had Better Information

The young man, who had been in hiding for several years and had succeeded in avoiding arrest at the last moment on several occasions, must have known or at least have suspected that the police would know about his hideout near Hamburg after they discovered the arms cache near Frankfurt which not only contained arms but also false documents, money and a wide variety of subversive information. The fact that Klar went to his hiding place nonetheless indicates in the view of some observers that in his mind he was resigned to his fate and was consciously or unconsciously expecting to be arrested soon. There is further support for this assumption in view of the fact that Klar who approached the hiding place disguised as a jogger but armed with a pistol dropped to the ground as soon as the policemen waiting in ambush called out to him and let them arrest him without a fight. It appears that the security forces also seized important documents on the relations to foreign terrorist groups when they discovered the RAF hideouts. Some press reports even speak of a possible connection of Klar to the murder of former Italian Minister President Moro 4 years ago.

Like his two alleged accomplices, Brigitte Mohnhaupt and Adelheid Schulz, Christian Klar is accused of having taken part in virtually all major terrorist actions of the RAF over the past several years. Among other things, he is also accused of a cold-blooded attempt to murder a Swiss customs official at the Loerrach border point. Still, the three arrested RAF leaders

are not part of the original group that founded the extreme leftwing terrorist organization. The so-called first generation of this underground group .. driven by pseudo-revolutionary madness by and large left the scene on its own as early as 1977—when Ulrike Meinhof, Andreas Baader, Gudrun Ensslin and Jan-Carl Raspe committed suicide in prison. The central figures of the subsequent "second RAF generation," too, have either been arrested, convicted or have died when attempts were made to apprehend them and a few former activists have since made formal statements abjuring political terrorism. Of RAF members well-known to the public only Inge Viett still appears to be at liberty.

#### A "Third Generation" ?

But in spite of the most recent spectacular successes it is too early to speak of an end to the terrorist threat in the FRG. The fact is that there are some indications of a "third generation" have grown up among the leftwing terrorist community. It is assumed to include the remains of the RAF movement and the "Red Cells." There are various links between these two groups; but they also seem to be engaged in some competition. In contrast to the RAF, the so-called Revolutionary Cells appear not to be organized along central leadership lines but to operate in small, more or less autonomous groups which go underground temporarily just long enough to complete some specific task. Because of this flexible and diffuse strategy, the authorities have hardly had any major successes in apprehending members of the Revolutionary Cells and this, in turn, means that they remain in the dark as to numbers of members and potency of the organization. Last year, for example, the Revolutionary Cells sent out a letter claiming responsibility for the cold-blooded murder of then Hesse Economics Minister Karry; but the identity of the assassins has not been determined to this day.

Over the past 2 years, terrorist attacks have concentrated primarily on U.S. Army installations in the FRG. There is general agreement that the two most dangerous attacks—a bomb attack on NATO air force headquarters at Ramstein near Kaiserslautern and an unsuccessful assassination attempt against General Kroesen, the commander-in-chief of U.S. land forces in Europe, last year—were orchestrated by the hard core of the RAF. In the meantime, attacks on U.S. army billets have increased sharply but the fact that these actions are quite limited in nature seems to indicate that the Revolutionary Cells rather than the RAF are responsible for them. But there is little concrete information as yet as to exactly who the perpetrators and the instigators of this new wave of violence are. What is clear, however, is that those responsible for these actions are hoping to mobilize anti-American emotions and sentiments for such purposes. In principle, for that matter, such considerations could also be ascribed to rightwing terrorist groups which also constitute a threat difficult to assess.

#### Additional RAF Arms Caches Found

In addition to the RAF arms caches discovered near Offenbach and Hamburg which led to the arrest of Brigitte Mohnhaupt, Adelheid Schulz and Christian

Klar, two more large arms caches have been found in Baden-Wuerttemberg. According to the Baden-Wuerttemberg Land criminal police department, the caches were located in Heidelberg-Ziegelhausen and in the vicinity of Of-tersheim near Schwetzingen. The authorities did not disclose how long the caches had been under surveillance, but did say that they assume that the three arrested terrorists recently spent some time in Baden-Wuerttemberg.

The Heidelberg cache contained three rifles, three machine pistols, one revolver, two hand grenades, a total of 36 kilograms of explosives of Soviet origin and a large quantity of ammunition. The Of-tersheim cache contained several hundred blank automobile registration forms which were apparently to be used to create duplicates. In addition, a fingerprint of Adelheid Schulz was discovered there.

Two more RAF arms caches were discovered by police in the Spessart. The discovery was already made on 31 October and on 1 November in a wooded area close to the village of Heigenbruecken, Bavarian Land criminal police officials said on Thursday night. The site had been under surveillance since.

9478

CSO: 3620/92

## GOVERNMENT WEIGHING INCREASED EXPORTS OF NORTH SEA GAS

Copenhagen BERLINGSKE TIDENDE in Danish 6 Nov 82 p 3

[Text] The government has not given up the idea of exporting larger quantities of Danish natural gas--beyond the quantities already agreed upon with Sweden. In a letter to Ole Maisted (Progressive Party), Energy Minister Knud Enggaard (Liberal Party) writes that the possibilities of increased gas exports are included in the economic evaluations which are made to ensure the best possible economic benefits from the project.

Incidentally, Knud Enggaard is very optimistic with regard to the natural gas project. "The economic results of the natural gas project show that the project is economically justifiable, provided the most important conditions of the project are fulfilled," says Knud Enggaard, "that is to say, the energy prices assumed, the rate of accession, and the final coverage--as well as the cost level of the gas companies."

"The idea is through the work in the liaison committee to follow the development in these areas closely in respect of the natural gas company. And, on the basis of these initiatives, I expect the natural gas project to be carried through with an advantageous economic result," Knud Enggaard says.

The very liaison committee, which includes representatives of municipalities and the local natural gas companies, is in the process of deciding on the priorities in the development of the gas network in such a way that it will be economically beneficial. And Energy Minister Knud Enggaard, therefore, does not expect any of the natural gas companies to seek to carry through sales promotions for the gas which will result in losses to the companies. Ole Maisted (Progressive Party) has feared that this would happen.

7262

CSO: 3613/21

## AGREEMENT TIES PRIVATE GAS COMPANIES TO STATE MONOPOLY

Copenhagen BERLINGSKE TIDENDE in Danish 12 Nov 82 Sect III p 3

[Article by Peter Kjelstrup]

[Text] Dansk Olie og Naturgas A/S [D.O.N.G.: Danish Oil and Natural Gas] yesterday entered into an agreement with three of the five regional natural gas companies which will tie the companies economically to the state company.

The agreement is a so-called joint agreement, which means that all differences in the costs of the development of the natural gas system will be distributed equally among D.O.N.G. and the regional companies. At the same time, decisions are made where and how the network will be jointly developed.

Outside the agreement are for the time being and for formal reasons the Mid-Jutland and North-Jutland Gas Company, which, however, is expected to join very soon, and, on grounds of principle, Natural Gas South.

The chairman of Natural Gas South, Vice Mayor Arne Hansen, Vejen, said after the signing of the agreement yesterday that Natural Gas South did not wish to enter into any new agreement with D.O.N.G. until D.O.N.G. had fulfilled the old ones. The chairman here alluded to the fact that D.O.N.G. has refused to sign so-called part agreements which form part of the preliminary agreement existing between D.O.N.G. and Natural Gas South for the period during which the company receives gas from Germany. D.O.N.G.'s motivation is that several of the networks covered by the agreements are not economically viable, and D.O.N.G., therefore, does not want to suffer the loss which is expected to result.

The new Joint Agreement, which thus comprises the metropolitan area, Funen and Zealand, means that they have not only agreed to expand the natural gas network on the basis of economic calculations but also that, on the basis of the wholesale price of gas, the economic differences will be adjusted so that the servicing of gas investments may take place at the exactly same rate within D.O.N.G. and the regional companies.

Vice Mayor Arne Hansen, Natural Gas South, says that the agreement means a loss of independence to the local companies, whereas the other chairmen are satisfied with the new agreement, which will now be finally approved by the committees of shareholders of the individual companies.

The chairmen do not fear either that the new system may mean that deficits, if any, will also be divided equally among the individual regions, seeing that the Folketing has adopted a proposal to subsidize the project if the natural gas price cannot be maintained at a level below the oil price level, inclusive of taxes.

7262

CSO: 3613/21



## BIEDENKOPF OPPOSES STATE SUBSIDIES FOR COAL SECTOR

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 10 Nov 82 p 4

[Article by MV: "Is Against Preservation of Unprofitable Jobs, Demands 'Glass Pockets'"]

[Text] Deputy CDU Chairman and Northrhine-Westphalian leader of the Opposition Biedenkopf believes that a strict distinction must be made between energy-political goals and their employment-political effects. In addition, it would be absolutely necessary to know the costs of coal policies that must be expected between now and 1990 before the Federal and Laender governments can make political decisions. These are the claims made by Biedenkopf in a conversation with this newspaper.

Biedenkopf is particularly concerned about the confusion in the current debate between the safe access to Germany's bituminous coal and the importance of this sector as employer in the Ruhr Valley, Saarland, Aix-la-Chappelle, and Ibbenburen, as the mining industry as well as the Industrial Union Mining and Energy do. Here, Biedenkopf, with his well-known penchant for systematic analyses, is pushing for clear distinctions. To him, maintaining Germany's mining capabilities are energy and political necessities, "regardless of the costs involved." On the other hand, this politician of orderliness is viewing the preservation of a maximum number of jobs through state subsidies against the background of empty public treasuries and the need for "approximately equal treatment" of workers in all enterprises and sectors, no matter whether it is the AEG, the Westphalian textile industry or Ruhrkohle A.G.

The roughly 184,000 jobs in the German bituminous coal industry would, of course, be safe for many years to come if the Federal Government and the State Governments of Northrhine-Westphalia and the Saarland would make it financially possible for the companies to maintain their current annual mining output of 90 million tons by making substantial investments. Biedenkopf thinks it is entirely possible to reinforce by political means "marching number 90/90" (a mining capacity of 90 million tons in 1990 to cover a by-then-expected 90 million ton demand). Current thinking, he said, believes that it makes sense to assume that the annual demand in the nineties will be of this magnitude. However, he can just as easily think of 80 million tons as a "point of reference." Nevertheless, it still holds that "I have not given up on a target of 90 million tons."

Both the employers' associations and labor unions, in a by no means rare display of unity in this sector, are calling for higher state subsidies. Still, Biedenkopf considers the data they submit as insufficient to make a political decision. He says, the politicians are no longer able to understand clearly the coal subsidy system. In particular, Biedenkopf wants to know exactly how much it would cost the tax payer to maintain the current mining capacity. In this connection, the subject of revenue equalization among states is coming up. At present, of the total amount of coal subsidies, including Federal payments to the Miners' Insurance, "at least" 6 billion to 7 billion marks a year in purchasing power flows to Northrhine-Westphalia. Whether the other states will continue to go along with this practice in the future, is highly questionable, Biedenkopf notes. "There is a difference between now and the coal crisis of the sixties, namely, at that time, only Northrhine-Westphalia was threatened by unemployment; now we have unemployment everywhere."

Among all the demands for mining subsidies, Biedenkopf is most sympathetic toward continuing the national coal reserve. This 10 million ton stockpile was set up in 1976/77 when the bituminous coal industry was faced with similar high dumps as today; however, starting in 1985, companies would have to buy back these supplies, he said. This, Biedenkopf considers a contradiction in that a reserve that is effective in energy and political terms would not lose its purpose in the future. He stated that, for the same reason, he would not have any objections either to a further stockpiling of national reserves within the framework of a general strategy.

As Biedenkopf's words indicate, there is little prospect that the mining industry will receive higher state subsidies for coke or a 400 million mark increase in investment assistance (150 million marks in 1982), as requested. One reason is that the public financial system is in poor health. Then, Biedenkopf is not convinced beyond any doubt that the mining industry has indeed exhausted all available rationalization possibilities, i.e., is no longer able to help itself. And here, too, Biedenkopf is calling for "glass pockets" in enterprises subsidized by the state.

The CDU politician of Northrhine-Westphalia does not underestimate the particular difficulties of the mining industry: production methods which do not lend themselves to a shorter work week, the deep slump of the steel market and the resulting difficulties for the sale of coke, and the coincidence of the coal crisis and empty treasuries in Federal and State Governments. To use the expressions of the Council of Experts: in the mining industry as well, the "profitability illusion," nurtured by public debt, has evaporated. On the other hand, the new Federal Government--Biedenkopf says--also faces an enormously difficult task: Between now and 6 March the Kohl administration can hardly do anything more than "halfway" balance the 1982 budget. Presumably, it would have to accept the budgeted amounts of its predecessors on all items for which it could not make a change on the basis of its own assessment. For this reason, it will not be until after the new elections that Biedenkopf sees some latitude for Kohl's politics to make some major decisions--provided the costs are known by then.

## DUTCH NATIONAL GAS SUPPLY, EUROPEAN DEMAND VIEWED

## European Natural Gas Market

Rotterdam NRC HANDELSBLAD in Dutch 30 Oct 82 p 9

[Report on Interview with Gas Union Manager S.A. Rissik by Ben Greif: "European Market Supersaturated for the Time Being."]

[Text] Groningen, 30 Oct--The Netherlands will no doubt be able to fill in if Soviet natural gas supplied to Western Europe should fall off in the future. However, we are not by any means capable of supplying that quantity of additional natural gas which will be involved in Soviet imports around 1990. If the Soviet Union were to halt its deliveries, it would certainly cause problems for Europe.

Mr S.A. Rissik, general managing director of the Gas Union, reaches this conclusion on the basis of a simple example: in the peak year of Dutch natural gas exports, 1979, the Netherlands exported approximately 50 billion m<sup>3</sup> [cubic meters] of gas. Now that export has receded to 35 or 36 billion m<sup>3</sup>. "If tomorrow there were an interruption in the Soviet supplies, we would be able to supply an additional 14 to 15 billion m<sup>3</sup>. But it is not certain it would be that much. The capacity of the pipe lines could constitute an important limitation at a certain moment. Moreover, you have a certain number of wells and it is very time-consuming to drill a new one. For that matter, a geologist is not ready right away to drill new wells, for he certainly wants to know first what kind of effect that would cause on the gas field."

At the end of the eighties the Soviet Union will supply about 60 billion m<sup>3</sup> of gas annually to various West European countries, assuming that the new pipeline will be finished in time. If that Siberian gas should fall off, the Netherlands would be able to fill that gap only partially, according to Rissik.

He thinks that Europe should not be too concerned about that. "At the end of the eighties the Federal Republic of Germany will depend on the Soviets for 30 percent of its gas supply. That is 6 percent of the total German energy supply. One could be very pessimistic about that, but one should realize that the Federal Republic depends on imported oil for about 40 percent and that an enormous share of that comes from the Middle East. One of the objectives of the Soviet contract specifically has always been diversification of sources of supply. I think that that certainly has been achieved."

There are rumors about strong pressure by NATO and the United States on the Netherlands and Norway to exploit the natural gas of those countries more rapidly and, in any event, to let it function as a "safety net" in case the Soviet supplies should fail. Rissik: "I know that is true of Norway. An official request was made there by the Americans, and the Norwegians have answered it. I never have noticed any pressure on the Netherlands. As far as I know, no agreements have been made with the Americans."

At a meeting with the American press recently, the Gas Union's chairman of the Board Vonhoff expressed himself in a rather optimistic manner about the possibilities of Dutch natural gas to take care of temporary European shortages. Somewhat too optimistic and exaggerated, Rissik thinks. "That is probably due to the fact that he is not involved in those matters on a daily basis. Furthermore, I have the impression that his words have turned out somewhat distorted."

Contrary to all sorts of somber predictions about shortages, there is plenty of gas in Western Europe at present. In fact, there is so much that the Americans warn that the arrival of large quantities of relatively cheap Siberian gas would seriously delay the development of Western Europe's own gas fields.

#### Saturated

Rissik admits that "the European gas market is oversaturated for the coming 8 to 10 years." Only at the beginning of the nineties, he says, will some room arise again for additional gas offers. That new supply will come primarily from Norway.

The Norwegians already now possess proven reserves of over 3000 billion m<sup>3</sup>, or 1.5 to 2 times as much as the Groningen gas field ever had. And a similar quantity of probable reserves should even be added to that.

According to Mr Rissik, it is assumed that imports from the Soviet Union won't increase any further, due to security of supply considerations. New gas suppliers can also be found in West Africa (Nigeria and Cameroon), North Africa (Algeria) and the Middle East (Qatar).

Rissik says: "I expect that with these additions the total offer for Western Europe from the middle of the eighties onward can be maintained for about 20 years at a level of 270 to 280 billion m<sup>3</sup> per year."

The Gas Union and the government are deliberating the question of what gas policy should be pursued in the future. The prognosis of a strong downturn in sales through less consumption (recession and economizations) precipitated this "reconsideration." The General Energy Council will make recommendations on this very shortly.

Have the bases for that new Gas Union policy been established yet? "No," says Rissik, "but on a few points the die has already been cast. One of them is the temporary relinquishing of Soviet gas -- although definitely not for the entire next 25-year period. Also the temporary extra supply to power plants and industry has practically been established."



It is not sure yet what will happen to gas exports. From various sides it has been suggested that additional export contracts should be made for the period after 1995. Rissik: "I certainly have some sympathy for the position that gas income has become such an important component of the government budget that one can no longer see the gas policy exclusively as an energy policy. Simultaneously one has to take a look at the course of that government income. It is certainly important to bring some stability to that."

Rissik confirms that additional gas supplies to Belgium were discussed. An official request to that effect by the Belgian company Distrigaz has not yet been received by the Gas Union; however, Belgian State Secretary Knoop has sounded out Minister (of Economic Affairs) Terlouw about the chances. (It turned out this week that Terlouw's answer had been: wait a little until our new gas policy has been formulated, but meanwhile don't order any Soviet gas. The Belgians appear to be following that advice.)

One problem which might loom up in possible export to Belgium would be that the Netherlands could not discriminate against other buyers within the Common Market. Rissik: "Everyone is rather fond of Dutch natural gas because it is considered to be a safe source of supply. But if we negotiate on certain additional quantities with one buyer, we will very rapidly get similar sorts of demands from the others. They say: why him, and not us?" I don't mean to say that the principle of non-discriminatory treatment means that all Common Market countries ought to be treated as if they had the same characteristics. It also depends, of course, on what the other side has to offer. Furthermore, one might wonder if contracts should be concluded already now for 1995 and later."

#### Italy

For the time being it is a buyer's market on the European gas market. Then why are the Italians going to pay a very high price for Algerian pipeline gas?

Rissik: "That is a purely political price, about 10 [Dutch] cents higher per cubic meter than what Italy pays for Dutch natural gas. It is just as in France. There the state simply subsidizes the price of Algerian liquid gas by 13.5 percent. The Italian gas company SNAM also wants to go in that direction, toward a state subsidy on the purchase price."

"SNAM is still terribly troubled by the fact that it has to pay that high price to help Italian industry gain opportunities in Algeria. I find that a very unwise mixing of energy- and industry interests. In that way the matter will not remain very pure, and I am afraid that at a certain moment the civilian will become the victim. You can already see that in France now, where Gaz de France is suffering great losses this year."

#### Dutch Gas Supply

Rotterdam NRC HANDELSBLAD in Dutch 30 Oct 82 p 9

[Report: "Gas Reserve Now Good for Over 50 Years Consumption."]

[Text] The Netherlands can continue for over 50 years with natural gas, thus the Gas Union expects.

"In saying that, we do however start from the premise that we won't burn gas like idiots in power plants or increase our gas exports drastically," says Gas Union Manager Rissik.

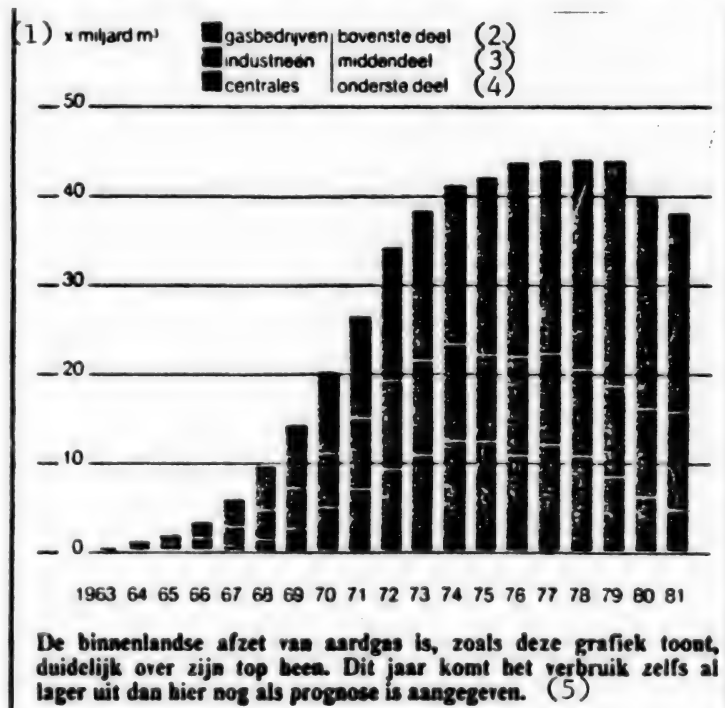
He estimates the total quantity of natural gas currently available for our country at about 2400 billion m<sup>3</sup> including possible imports. 440 billion m<sup>3</sup> of that is still under contract with foreign countries. For domestic sales, small consumers and industry, about 2000 billion m<sup>3</sup> will then remain.

On the basis of domestic sales last year -- 38 billion m<sup>3</sup> -- that is sufficient for over 50 years.

That period can even be stretched if gas consumption continues to decrease in the Netherlands at the current rate; this year that decrease will most likely come to 5 percent.

In the expected supply after the year 2000, imports of 7 to 8 billion m<sup>3</sup> per year of Norwegian gas is included. Dutch reserves, now proven, are about 1500 m<sup>3</sup>. Added to that is a probable reserve of 500 billion m<sup>3</sup> and 200 billion m<sup>3</sup> of possible reserves which might still be discovered.

According to Mr Rissik, the estimates of the Gas Union deviate by at most 10 percent from those of the State Geological Service [RGD] of the Department of Economic Affairs. "It is purely a matter of difference in interpretation, for the RGD has the same data at its disposal as the oil companies do. Only, they are not concerned with the evaluation of gas fields which might possibly be discovered."



- Key:
1. x billion m<sup>3</sup>
  2. gas companies / upper part
  3. industries / middle part
  4. power plants / bottom part
  5. Domestic sales of natural gas, as shown in this graph, has clearly passed its peak. This year consumption will come out even lower than predicted here.



## DETAILS PROVIDED ON TRADE, COOPERATION WITH USSR

## Products Listed

Nicosia 1 ELEVTHEROTYPIA in Greek 26 Oct 82 p 10

[Text] Within the next 5 years the Soviet Union will provide economic and technical assistance for the construction of water supply and irrigation projects and for the establishment of certain industrial units [in Cyprus].

According to Grigorian, commercial attache of the Soviet Embassy in Cyprus, these projects are the result of a special protocol signed by the two sides after relevant negotiations. Grigorian added during his press interview yesterday that the two sides are negotiating the Soviet assistance for the irrigation projects in the Khrysokhous Valley and Karkotis River, the building of a modern slaughterhouse, for the establishment of biological stations for processing the Larnaca and Limassol wastes and the construction of an asbestos factory. He said that for payment for these projects the Soviet Union will purchase more Cypriot products.

Referring to the trade between the two countries, Grigorian said that during the first 9 months of 1982 this trade increased by 14 percent compared to the whole of 1981 and reached 66.3 million dollars. He said also that during the 1975-81 period the trade between the Soviet Union and Cyprus developed steadily and increased by 2.5 times, reaching 58.2 million dollars in 1981. The major products exported by the Soviet Union were: mazut (79 percent), forest industry products (12 percent), condensed milk (4.6 percent), a number of other ready-made goods and consumer products. Color TVs, tractors and craf liner fluting [transliterated, sic] were exported to Cyprus for the first time.

On the other hand, Soviet import agencies increased the purchases of traditional Cypriot farm products as well as of shoes, clothing and knitted items. During the year Cypriot trade firms sent to the Soviet Union 96 percent of their exports of alcohol for cognac, 89 percent of currents, 73 percent of bottled and 45 percent of bulk wine and 44 percent of oranges. On the basis of the signed 1981 agreement the Soviet Union has met fully its long-term obligations. Grigorian added:

"For the first time Soviet trading organizations have sent to Cyprus 10 containers for storing wine products, tractors, dry-cleaning equipment. In the fourth quarter of the year, the Cypriot state agencies will be supplied with bulldozers and

harvesting machinery for the island's cooperative organizations. This year Cyprus will supply the Soviet Union with traditional farm products valued at 24 million dollars. According to Cypriot statistical data the Soviet Union has already imported 60 percent of the total vine products. It bought 4.7 million bottles of wine, 21,000 tons of bulk wine, 4,000 tons of alcohol for cognac, 4,300 tons of currants, 11,700 tons of citrus fruits as well as shoes, clothes and knitted goods valued at about 6.3 million dollars.

#### Comments on Trade

Nicosia I SIMERINI in Greek 27 Oct 82 p 2

[Text] At the press conference given by the commercial attache of the Soviet Embassy it was revealed that Cyprus purchased Soviet mazut which it resold to another country at a higher price--to be more exact, it exchanged it for a cheaper grade mazut and collected the price difference.

At first sight one could say that this shows out trade "cleverness." On the other hand, unavoidable questions are being raised. For example, why should Cyprus buy from the Soviet Union more expensive mazut--much more expensive, according to reports--than that of other countries. The explanation that the Soviet mazut has less sulfur content (2 percent compared to 4 percent of other mazuts) is not persuasive. If the Soviet product was more efficient because of its low sulfur content it would have been kept by Cyprus for domestic use. Its resale proves that the authorities felt that the difference in efficiency did not offset the price difference.

Another question is: Why should Cyprus have had to buy the Soviet mazut since its use was deemed unprofitable? Also, what special reasons dictated its purchase? Surely not for profit.

#### Soviet-Cypriot Trade

It is a definite fact that the trade between the Soviet Union and Cyprus increased by 14 percent during the first 9 months of 1982 compared to 1981 and that it was in excess of 63 million dollars. But what has not been revealed is each country's share in this trade exchange. It is not only important to increase the trade. The increase in trade exchanges should be mutual and, mainly, they should be counter-balancing.

It would be of interest if the value of the products the Soviet Union sold to us and the value of the products we sold to that country were announced.

7520

CSO: 3521/54

## GOVERNMENT BUDGET CUTS FINDING FAVOR AMONG VOTERS

## Most Back Full Austerity Program

Copenhagen BERLINGSKE TIDENDE in Danish 13 Nov 82 p 6

[Article by Director Asger Schultz, M.Pol.Sc., the Danish Gallup Institute]

[Text] There is apparently even very wide agreement among the voters that economic intervention to the extent undertaken by the nonsocialist government is justified by the present economic situation.

On the other hand, the majority is opposed to the means employed by the government, and if asked to point to a shift in the distribution of the economic burden, they point to a shift for the benefit of the "affluent" and the "self-supporting" as well as the members of the Folketing!

This appears from the poll carried through by the Gallup Institute to elucidate the views of the voters on the economic remedies initiated by the non-socialist government.

A representative section of the adult population, comprising approximately 1,000 respondents, was in the latter half of October asked a number of questions, the first of which ran as follows:

"The nonsocialist government has now presented its plans how to cope with the difficult economic situation. I would like to ask you two questions on your opinion on the government's plans.

"The first question concerns the very scope of the economic intervention which the government finds is necessary, and the second question concerns the way in which the government distributes the burdens.

"As for the first question, thus the very extent of the economic intervention, do you find that economic intervention to this extent is necessary in the present economic situation, or do you find that it is not necessary?"

The answers to the question on the extent of the economic measures of intervention were as follows:

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	<u>Necessary</u>	<u>Not Necessary</u>	<u>No Opinion</u>	<u>Total</u>
	%	%	%	%
Total .....	79	13	8	100
To the right of the Social Democratic Party .....	94	3	3	100
The Social Democratic Party .	69	25	6	100
To the left of the Social Democratic Party .....	71	25	4	100
The four-leaf-clover parties	96	1	3	100
The Progressive Party .....	88	7	5	100
The Radical Liberal Party ...	91	9	-	100

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The vast majority of the voters (79 percent) supports the extent of the economic policy pursued by the nonsocialist government. And the majority is large within all political groupings, though smallest among the voters of the Opposition.

With regard to the means, the answers were:

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	<u>Largely Agree</u>	<u>Disagree</u>	<u>No Opinion</u>	<u>Total</u>
	%	%	%	%
Total .....	34	54	12	100
To the right of the Social Democratic Party .....	72	21	7	100
The Social Democratic Party .	10	80	10	100
To the left of the Social Democratic Party .....	7	88	5	100
The four-leaf-clover parties	79	14	7	100
The Progressive Party .....	44	54	2	100
The Radical Liberal Party ..	35	58	7	100

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Only the four-leaf-clover government's own voters can also support the means, while the majority among the two nonsocialist supporting parties oppose the means, which, of course, also applies to the voters of the Opposition.

The measures most criticized by those opposed to the government's means of intervention are, first and foremost, the qualifying period for payments of sick benefits (13 percent), and, next, the cancellation of cost-of-living adjustments (10 percent) as well as specific reductions in daily unemployment benefits (9 percent), while 36 percent did not know what they were opposed to. Radical Liberal Party voters were especially opposed to increased payments for day-care and the cut in daily unemployment benefits, whereas Progressive Party voters were particularly opposed to the cut in daily unemployment benefits, the wage freeze as well as the cancellation of automatic cost-of-living adjustments.

Employees within the public sector were most concerned about the qualifying period for payments of sick benefits, whereas employees within the private sector were more concerned about their wages.

To elucidate the background to the dissatisfaction on the part of the voters with the distribution of the economic burdens by the nonsocialist government, the following question was asked:

"Can you mention some areas or population groups which, in your opinion, could carry a larger part of the economic burdens? If in the affirmative, which?"

The following answers were given:

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	%
No/No opinion .....	26
The affluent .....	34
Enterprises .....	11
Members of the government and the Folketing ...	14
Others .....	16
Total .....	101

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(The 101 percent is due to the rounding off of the individual percentages.)

The voters find it difficult to conceive of other areas of intervention right away; 25 percent of the voters answer in the negative, while the other voters indicate possibilities which the government will have difficulty using, and, in this context, it must be said to be striking that 14 percent of the electorate point to the members of the Folketing. Although an actual assortment of ideas cannot be expected from the voters, it nevertheless is striking that the concept of a change in the distribution of the economic burdens is largely (46 percent) associated with the idea of a highly uneven and unjust incomes distribution.



The fact that dissatisfaction is inevitable, and that the nonsocialist government may, nevertheless, have achieved what looks like the impossible with respect to the distribution of the economic burdens, seem to appear from the answers to the following question:

"If all of the government's proposals are carried through, will your household then be harder hit economically than the average, or do you believe that you will be affected more or less to the same extent as the average?"

The answers were:

	%
Harder hit than the average .....	13
Like the average .....	66
Less than the average .....	11
No opinion .....	10
Total .....	100

While two-thirds of the voters (66 percent) believe that they will be hit like the average, more or less the same number feel harder or less hard hit than the average, 13 percent and 11 percent, respectively. From the point of view of the distribution of the economic burden, it would be best if everybody felt equally affected as the average, and if this cannot be achieved, then that equally many are dissatisfied and satisfied, respectively. From this point of view, it may be said that the government has been rather successful with its intervention, which will be seen from the symmetrical distribution with a relatively high peak of 66 percent.

In view of the drastic economic measures, the prime minister has pointed out emphatically that all of the participating parties deserve equally much credit for the result. Experience shows, however, that it may be dangerous for small parties to undertake any particular political responsibility, and the following question was, therefore, finally asked of those polled:

"There are four parties behind the government's proposals, viz. the Liberal Party, the Center Democrats, the Christian People's Party as well as the Conservative Party. Do you believe that these parties have largely been in agreement on the plans now presented by the government, or do you believe that one or several of the parties have had to yield especially or have had to make concessions in the cooperation? If in the affirmative, which?"

The answers were as follows:



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	Largely in Agreement	Had to Yield: Conservative Party	Had to Yield: Liberal Party	Had to Yield: Center Democrats	Had to Yield: Christian People's Party	No Opinion	Total
	%	%	%	%	%	%	%
Total .....	36	11	8	17	21	31	124
To the right of the Social Democratic Party .....	49	12	7	15	21	21	124
Social Democratic Party .....	31	14	10	22	24	28	129
To the left of the Social Democratic Party .....	44	2	4	25	23	21	118
The four-leaf-clover parties ...	52	12	7	14	19	20	122
The Progressive Party .....	35	8	5	25	33	26	133
The Radical Liberal Party .....	31	16	16	23	26	29	142

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As appears from the above, it is, in particular, the two small government parties which ought to be "given credit" for the results, since they apparently have made the greatest sacrifices in the government cooperation. That such "praise" is rather unlikely to come from these two parties' own voters appears, however, from the fact that other voters, to an even greater extent, consider the two small parties the ones which "have been making the greatest concessions." Moreover, the two small parties' own voters pointed especially to the joint responsibility and less to "concessions made." This seems to indicate that "making sacrifices" is not conceived as a primarily positive feature.

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### Grass-Roots Movement Backs Cuts

Copenhagen BERLINGSKE TIDENDE in Danish 11 Nov 82 p 6

[Article by Helle Ravn Larsen]

[Text] The 'Support Denmark' campaign is half-way completed. So far, 10,000 lists have been sent out, and the signatures to the effect that people are willing to make sacrifices to put Denmark back on its feet are slowly coming in--so far, 20,000 signatures. At the same time, approximately 100,000 kroner have been received by Poul A. Jørgensen, author, enabling him to launch an advertising campaign in support of the action.

"My assumption has been confirmed that if one shows people that one has got confidence in them, they will live up to it. The silent majority are not the voters who vote as they are told, as claimed by the so-called intellectuals. We must revise this view, and I believe that this campaign has started something positive," Poul A. Jørgensen said.

The many approaches have made the author feel obliged to answer all the volunteers who have helped support his campaign actively.

"We must be able to deduce something from this support, possibly in a small reply. New ideas must be developed on how to go on from here. This action must not become an isolated instance. We must have fresh involvement in the political picture of Denmark," Poul A. Jørgensen said.

In the course of the following week, Poul A. Jørgensen will be launching a nation-wide advertising campaign to keep the pot boiling. He will recommend, among other things, that people return the lists of signatures by registered mail but that people, nevertheless, continue until the last moment.

The campaign will end on 19 November, when all signatures will be handed over to the government.

### Funds Reduced to Cities

Copenhagen BERLINGSKE TIDENDE in Danish 3 Nov 82 p 5

[Article by Dan Axel]

[Text] Well over 2,000 local government employees will be fired in 1983 alone due to the government's requests for a cut in the resources of the hospital, day care and health care sector. This appears from the only estimate presented by the minister of finance on the effects of the retrenchment plan involving cuts totalling 3 billion kroner for which the government has received the support of the Radical Liberal Party and the Progressive Party.

The hospital and health care sector will, according to the plan, have to account for approximately 0.5 billion of the total savings. A standard cut in the resources of hospitals will provide savings of 115 million kroner by easing the 11-hour regulation--and through the adherence on the part of the counties to a hiring freeze in their collective bargaining next spring with physicians.

In addition to the standard cut of 115 million kroner, a freeze on new construction in the hospital sector will give a saving of 85 million kroner--a total of 30 million kroner will be cut from the system of subsidies to patients transported to and from hospitals, and expatriate Danes and others wishing to pay for their hospital stay will have to pay 5 million kroner more for their beds and operations.

In addition, there will be a cut of 45 million kroner in the area of physiotherapy, so that the benefits paid by the public health insurance will be reduced from the present 80 percent of the costs to 60 percent. This will result in savings of 45 million kroner in 1983. The public health insurance system will next year only cover 50 percent of dental costs as against 60 percent today. However, the present scheme for young people between the ages of 16 and 29--70 percent coverage--will remain in effect. The savings in the health insurance area will result in savings totalling 155 million kroner.

Also in the area of pedodontics will cuts be made in that more children will have to be treated by the same pedodontist. This will mean the dismissal of approximately 100 pedodontists, the government states. Finally, the school physician scheme will become limited to one visit by a physician as against five today. This will give total savings of 30 million kroner.

#### Pensions to Be Taxed

Copenhagen BERLINGSKE TIDENDE in Danish 13 Nov 82 p 3

[Article by Dan Axel]

[Text] The government's internal tax committee reached an agreement late in the day last Friday on the final formulation of the pension tax proposal. It was approved at a cabinet meeting last Tuesday, presented to a meeting of ministers presided over by the Queen on Wednesday and introduced as a bill in the Folketing on the same day.

And this is the way the bill looks: A tax will be paid to the state of 2.5 percent of capital invested as of 1 January 1983 in life insurance and pension insurance companies as well as in pension societies. The capital amounts are calculated on the basis of the assets of the companies--at cash value and after various deductions.

The same percentage rates will apply to deposits on accounts held by people who, in the absence of a pension scheme, have to provide for their old age, capital pension accounts, and contracts subject to price-index adjustments as well as to the General Supplementary Pension System, the Wage-Earners Cost-of-Living Fund, and the Social Pension Fund. It is a question of capital amounts totalling 200 billion kroner, and the tax, as it is called, will give the state a revenue of 4 billion kroner in 1983. In 1984, the revenue will increase to 6 billion kroner--[text missing].

Exempt from taxes on pension will be tax-deducted savings for the benefit of one's children or grandchildren, the strike funds of the labor market and the

like--and no taxes will be levied on pensions which are already in the process of being disbursed.

The tax on pensions will only be in effect in 1983 and 1984, and in the remarks to the bill it has been pointed out most emphatically that the legislation will be temporary. "The government's policy is unchanged, regardless of what it says in the papers or has been stated elsewhere," says Tax Minister Isi Foighel. The government has not decided, let alone discussed what will happen in the area after 1984."

As far as BERLINGSKE TIDENDE has learnt, there may, however, be changes in the legislation to the effect that participants in pension schemes by 1 April 1983 may agree to contribute additional funds to maintain the real value of their pensions.

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## GOVERNMENT RAISES PROJECTIONS FOR 1982 BUDGET DEFICIT

Helsinki HELSINGIN SANOMAT in Finnish 9 Nov 82 p 11

[Article: "Government's Basis for Making Estimates Deceptive; National Economy Deficit Swells to Over 12 Billion"]

[Text] The basis for government estimates of the growth of the national economy deficit is deceptive. At the Finance Ministry they predict that the deficit will rise to from 11 to 12 billion marks next year, but unofficially it is estimated that it will increase far beyond 12 billion marks.

In the proposed budget for next year the government predicted that the national economy deficit, or the difference between expenditures and income, will be slightly under 9 billion marks, which would thus be the amount to be borrowed from abroad and the domestic money market.

The mark was devalued by 10 percent at the beginning of October. Economic decisions made in connection with this have already raised the predicted deficit to 11 billion marks.

The Finance Ministry's review of the economy, dated as of the beginning of November, states that the national economy's funding needs will probably rise to well over 11 billion marks, or over 3 billion marks more than this year.

The debt has really grown rapidly since in 1981 the national economy deficit was under 5 billion marks. This year it will already have come to 8 billion and by next year the deficit will be at least 11 billion marks. The total national debt will then be about 35 billion marks.

In 1981 the national debt's share of national expenditures was 3 percent. This year it has already risen to over 5 percent and next year it will be just under the 8-percent mark.

In connection with the devaluation the government advisedly decided to increase the indebtedness of the national economy. The reduction in employers' health insurance payments cost the government 800 million marks, the extension of industrial turnover tax relief measures produced a 600-million-mark reduction in receipts and the partial rebate of electricity taxes to industry cost the government 120 million marks.



The change in foreign exchange rates increased debt-servicing expenses by over 300 million marks.

#### Social Welfare Problems

The growth of the national economy deficit will, however, not stop at 11 billion marks. Among other things, the social welfare package right now being negotiated in connection with the decision to devalue, the purpose of which is to relieve the harmful effects of devaluation by providing aid to families with children, among others, will increase it.

The Communists have been pressing for decisions on the social welfare package. Finance Minister Ahti Pekkala (Center Party) has preferred to postpone the decisions in the expectation that a possibly stabilizing solution may evolve in the labor market.

This has increased tension inside the government because the SKDL [Finnish People's Democratic League] has remained in the government precisely on the grounds that the social welfare package would be discussed and decided on as soon as possible.

The government coalition parties have yet to come to terms with one another on the size of the social welfare package. Among others, the SKDL and the Center Party as well as the SAK [Finnish Confederation of Trade Unions] among the labor organizations have presented stiff demands.

#### Per Diem Benefits Are Big Additional Expenses

At the start of this year per diem maternity and sick leave benefits were appreciably raised and made subject to taxation. All Social Security System forecasts on the effect of the revision have proven to be underestimated.

As early as this summer it was revealed that a half a billion marks more than was estimated went into benefits. It is now estimated that 1.5 billion marks in government funds will be used for that purpose next year.

According to the Finance Ministry, hundreds of millions of marks in additional expenditures are in any event involved.

#### More Problems Due to Good Harvest

Aside from health insurance, funding gaps are also to be found in the farm sector, where a good harvest is creating difficulties for the National Grain Fund. Furthermore, the livestock production has developed into considerably greater overproduction than before.

Second Minister of Finance Jermu Laine (Social Democrat) says that the National Grain Fund is about 800 million marks short in meeting this year's harvest needs.

Next year the Grain Fund will have to use up its authority to borrow from the Postal Bank. By this means the Grain Fund would get another couple of hundred million marks.

Without having paid for grain imports, the Grain Fund has about 300 million marks. Concerning the marketing of imported grain and the domestic grain that would be purchased in its place, according to estimates, this will produce about 170 million marks. The rest will come from Grain Fund investments.

#### Marketing Fees

As for increasing livestock production, it is based on the assumption that they begin to collect the new marketing fees from producers next year.

Marketing fees for milk and pork have already been discussed in the Agricultural Marketing Council. Furthermore, the introduction of a feed mixture tax has been up for discussion.

It has now been revealed that 100 million marks in marketing fees will be deferred until next year and that at least the same amount will in addition probably be collected from producers.

Then too, measures to balance production, which are not without cost either, will be added to the same total.

#### Growth Will Decide

Keeping the national economy deficit down to the neighborhood of even 12 billion marks is decisively tied to the growth of the economy. The government has already had to compromise on the growth figures presented in the budget proposal.

Even this summer, it was estimated that the GNP would increase 2.5 percent next year, but the estimate has been corrected to 2 percent.

The OECD has also lowered its growth figures for Europe. For the United States the OECD predicts that overall production will not drop as much as predicted earlier.

According to Finance Ministry experts, if growth should remain under 2 percent next year, it would be utterly disastrous for the national economy.

According to estimates, the national economy deficit would as a result rise by another 1 to 1.5 billion marks next year and then the deficit would already be somewhere between 13 and 14 billion marks.

Finance Ministry experts also predict that, at the present rate, by 1986 we will reach a level of expenses for servicing our debts of 12 billion marks a year. That would in turn eliminate the possibility of using the assumption of debts for a recovery policy and to improve our ability to compete.

## FIGHT AGAINST UNEMPLOYMENT AT HEART OF NINTH PLAN

Paris LE MONDE in French 8 Oct 82 p 36

[Article: "Strengthen France's Independence Through New Competitiveness"]

[Text] The guidelines for the ninth plan, which were presented Thursday, 7 October, to the National Planning Commission, opened with a long analysis of the international crisis, "which grew during the sixties, burst into financial areas in 1971 and spread to the general economy in 1974." The document says that the economic disorder goes hand in hand with a cultural crisis brought about by questioning the continued enlargement of the development model of the sixties. France, while conducting a policy of cooperation with all countries, will durably reinforce "its independence and its identity in the medium term by means of a new competitiveness which will call upon all of its economic and social resources."

Weaknesses specific to the French economy were highlighted by the unfavorable changes in the international financial environment: a persistent high inflation rate, aging and insufficient competitiveness of the productive infrastructure, and a deterioration in foreign trade figures. The industrial policy of the ninth plan must respond to these negative changes. But the fight against unemployment is also "at the heart of the challenges of the ninth plan."

Employment: Growth and Job Sharing

"The first way to solve the problem, and thus the first goal, must be to gradually increase the tempo of our economic growth to a level significantly higher than that of the international financial environment. This will be accomplished only by vigorous investment in industry, which will encourage the indispensable return to a stable current operations balance.

"Growth is the powerful driving force of employment. The strategy of the ninth plan must try to energize this force and to overcome the constraints holding it back.

"Growth alone will not be enough to solve the problem of employment. During the ninth plan, the potential active population will increase by 725,000 individuals. This change leads us to mention the second way to solve the problem, which would improve the employment situation: reducing the workweek. The division of work time will be one of the central themes of the ninth plan."

After having specified that the goal of 35 hours must be used to combine the search for economic objectives and the continuation of social trends, the document continued:

"In the current situation of firms' financial obligations, the following question must be asked: can reducing the workweek lead to creating jobs if it is wholly compensated? In any case, the process, still negotiated by branch or firm, will first of all take the form of collective reductions, but there will sometimes also be an individual choice between the legal workweek and the new 35-hour solidarity workweek. In both cases, the creation of jobs requires the work process to be reorganized, by maintaining and, if possible, increasing the amount of time equipment is used by implementing alternating work schedules. All of this must be negotiated from the viewpoint of competitiveness.

"Working a chosen schedule, which can be negotiated in industries where this is possible, is both of interest to workers and can meet the needs of production units."

#### The Productive Infrastructure: Priority Sector

Renovating our productive infrastructure, which is an essential element in restoring our autonomy, is needed to remedy the deficiencies of industrial policy, which was often fragmentary and lacking a long-term structure during the seventies, and to remedy the disappearance of entire sectors, which harmed our industrial coherence and regional vitality.

"There is no other way to control our domestic market than to increase competitiveness of our firms. It is also the way to prepare them to expand their shares of the export market.

"Industry is the number one sector for turning our productive system around," but, as priorities, it would be best to develop "high technology durable goods and intermediary goods that incorporate these new technologies.

"All economic and financial choices must reflect the priority granted to industry. The first of these choices will be to combat the structural causes of inflation, which are linked to habits, behaviors, mechanisms and structures."

#### Income

"The increase of direct income and of indirect income and their means of financing must be compatible with the priorities to be adopted within the framework of the ninth plan. The distribution of gains in productivity must enable the necessary investment to be undertaken with satisfactory financing conditions, while insuring an adequate stability in household demand, especially through a policy of social justice and reduction of inequalities. The increase in both salary remuneration and non-salary income should honor this demand and above all maintain and, if possible, increase the buying power of the disposable income of households with low or average incomes. Under these conditions, the

essential option to discuss will focus on dividing salary remuneration between direct income and transfers. Having social transfers increase more rapidly than the GDP will result either in penalizing the direct income of households or in compromising the investment of firms and the fight against inflation."

"Lastly, it would be advisable to put public finances under the plan. Budget policy, the policy of obligatory payments and the financial policy of the state should reflect the recognized priorities of productive investment, research and development and, more generally, the means that will enable the paths to a new development to be opened."

#### A New Development

"Problems of employment and unemployment, like those of financing public and social expenditures, will not find satisfactory solutions without profound changes in our habits and social structures." This means both responding to the demand of a greater autonomy for individuals and for "greater control of each activity by those who directly participate."

The division of income and estates must respond to the requirements of solidarity, which is "a survival imperative for French society." The entire agreement system covering salary income deserves to be reexamined and restructured by labor and management. Our social protection system must evolve toward greater coherence and "toward a more just division of social transfers to families... It will not be possible to define these new means of solidarity without attempting to readjust abnormal situations" in the income structure and social protection systems. ("Categorical privileges that have been kept or established during the period of strong growth and which will appear more and more unjustifiable include abusive annuities, inability to enter certain professions, remuneration in percentage without corresponding service and excessive income scales.")

The last portion of the document discusses decentralization and regional balance. Since the procedure established by the law on planning reform eliminated the National Planning Commission from being presented with development priorities for each region, it is not up to the authors of the guidelines to define these priorities. But the principle of regional autonomy is reaffirmed and explained at length.

9720

CSO: 3519/66



## REPORT STUDIES TRADE, CREDIT WITH THIRD WORLD

Paris LES ECHOS in French 11 Oct 82 pp 29-30

[Article by Jean Arnaud: "The Berthelot Report: Weakness of Our Trade Surplus With Developing Countries"]

[Text] After having lost large shares of the market in industrialized countries, is France threatened by a decline in its trade balance with developing countries, perhaps sooner than it thinks? Without putting the question in such drastic terms, the Berthelot report, or rather its second edition,\* encourages the reader to consider the future of the economic relations between France and its Third World trading partners.

The first edition of this report, in 1977, had proved that, contrary to appearances, these relations generated many more jobs than they eliminated. Five years later, the author is reconsidering these conclusions.

He noted that a certain deterioration occurred in 1977 and in 1980; there was a decline in the share of manufactured products in our sales to the developing countries.

At the same time, the "job" content of these exports increased, for which we can congratulate ourselves right now. But, far from signifying progress, this change reveals a decline in technology and in productivity.

In the last analysis, "the effect of our trade relations with the developing countries on employment has become slightly negative if you exclude agricultural exchanges, which had a bottom line surplus that very definitely grew these last few years."

The loss of competitiveness of the "made in France" label will make itself felt on the markets of the developing countries and on those of the OECD. And this will benefit competitors who are not only champions of world export--the United States, the FRG and Japan--but who are also among the developing countries.

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\* ACTUEL DEVELOPPEMENT, no. 49, 18, rue de Varenne, 75007 Paris

"Thirty-nine percent of French losses on third party markets can be blamed on the Third World."

"In 1980, for the first time, exports of manufactured products by Third World countries surpassed in value their exports of unprocessed products other than energy products."

Which sectors are affected by their competition? Textiles, of course, but also the machine industries including the automobile, and even electronics. This has resulted in the statement, "There are many goods from among French exports that belong to the line of products jointly exported by the Third World."

But who are these developing countries that are now our competitors? From the 117 developing countries, the Berthelot report selected 22 which it divided into two subgroups: the "heavyweights" with large populations--Brazil, Mexico, India, Argentina, Korea--and the "extroverts" of the Hong Kong, Singapore and Taiwan type, which serve as hubs of subcontracting and as trade platforms for multinationals.

Should we consider these 22 countries as dangerous adversaries or as potential clients? The report leans toward the second alternative. Paradoxically, this group of countries, so dynamic at exporting, is also a large importer of goods and capital. It is significantly in debt to its major trading partners. There would, therefore, be room for French industry, since its share of the market among the "22" is extremely weak.

Aid: Recouping at 65 or 100 Percent

But, things being what they are, it turns out that France does not have a surplus of 22 billion francs for 1981 with the "heavyweights" and the "extroverts," but with the non-oil producing developing countries located primarily in Africa.

Where exactly do these 22 billion come from? Primarily from large contracts obtained through a policy of advantageous public and private credits. But, as the Berthelot report observed, some of these large contracts can produce negative effects: "If they are inappropriate and costly for the receiving country, in the long run they will become counterpropaganda."

That said, where would we be without the large contracts? Over the period 1975-1980, those concluded with the developing countries accounted for 200 billion francs and entailed 110 billion in delivery of merchandise and about 50 billion in sales and service, subject to some 10 billion for risk guarantees and preferential credits. The Berthelot report has brought some interesting details on the "return effects" of aid to developing countries. Here is the summary given by the journal ACTUEL DEVELOPPEMENT:

"Because of the different components of aid to developing countries--from the pure gift to Treasury loans--the estimation of the direct return rates presented in the report varies from 65 to 100 percent. The percentage was higher than 80 percent for participation in multilateral programs. Clearly,

France "recovers" in the form of exports of goods and services between two-thirds and all of the aid it granted. Such estimates do not lessen the value of our aid; they simply signify that when all is said and done, the aid takes a non-financial form."

This analysis justifies the economic soundness of increasing French aid over the years to come. Francois Mitterrand committed himself to raising aid to developing countries from .35 percent of the GNP in 1980 (excluding overseas departments and territories) to 0.7 percent at the end of his term of office.

This goal is well on the way to being met because, according to the statements of Jean-Pierre Cot at the recent IMF meeting in Toronto, this figure should reach .52 percent of the GNP for 1983, or 20 billion francs.

We can expect beneficial effects for French industry, on the condition, of course, that these credits be utilized in the right way and that we know how to adapt our products to the real needs of the developing countries.

--The report "Impacts of Relations with the Third World on the French Economy" was written by Yves Berthelot, director of CEPRII [expansion unknown] and Jacques de Bandt, director of research at CNRS [National Center for Scientific Research], at the request of the minister for cooperation and development.

Christine Brochet, of the Study Development Center of this ministry, and Christian Comelieu, of the General Planning Commission, also participated in this work. The report is based on work by a group headed by Mr. Ventejol.

The document will be for sale at "French Documentation" as of 18 October.

France's External Balance by Large Geographic Areas  
(in billions of current francs)

	1973	1981
OECD	-16.8	-59.5
United States	- 9	-22.9
Japan	- 1.1	- 9.3
EEC	- 9.4	-30.4
OPEC	- 6.3	-61.2
Non-oil producing developing countries	+ 3.6	+22.6
Countries with centralized economies	- 0.7	- 6.4

9720

CSO: 3519/66

## ARMED FORCES FUEL SERVICE, SUPPLIERS FORM GROUP TO AID EXPORT

Paris L'USINE NOUVELLE in French 28 Oct 82 p 66

[Article by Antoine Thiboumery: "Oil Equipment--Exportation: the Army Reinforces"]

[Text] The Army to the rescue of foreign trade. Its Fuel Service is going to be the guarantor for 15 suppliers of oil equipment in order to help them penetrate markets that have been difficult to get started in until now. The first test: Saudi Arabia.

The Army is setting the example. The Armed Forces Fuel Service (SEA)--2,450 persons, including 450 noncommissioned officers and 2,000 civilians--has just given its guarantee to 15 French firms, suppliers of oil equipment, with a view to aiding their penetration of foreign markets.

These firms, which belong to an economic-interest group called GILEP (Interprofessional Oil Logistics and Equipment Group), cover all the fields of expertise and materiel that the armed forces currently call on in order to fulfill their mission. The Armed Forces Fuel Service, which is common to the three armed forces (Army, Air Force, Navy), the Gendarmerie and the Ministry of Defense, is responsible for supplying all the armed forces, at all times and in all places, with petroleum products and similar items. On this basis, it is responsible for the storage, transport and distribution of fuels.

"The equipment that we use has been developed in close cooperation with the industrialists and in accordance with our specifications. In order for their capacities for innovation to remain intact, it is our duty to back up their development by lending our aid to exportation," states Engineer General Borde, central director of the SEA and initiator of GILEP.

Today, the SEA's budget for acquisition, modernization or replacement of its installations and materiel represents about Fr 20 million per year. This captive market has no reason to grow in the coming years. Isn't there certainly a risk of reaching a ceiling at best?

Under these conditions, in order to have a competitive and innovative oil-equipment industry available at all times, the SEA has every interest in aiding

its traditional suppliers in foreign markets. Reciprocally for these French firms, the SEA's backing should offer them the possibility of winning some contracts from foreign armed forces difficult to get started with.

"GILEP also enables our members to reply to calls for bids whose volume exceeds their individual capacity but that are within their overall reach. All the members are market leaders in their specialties, and it is only their size (measured in turnover and numbers of personnel) that keeps them from achieving their real position in the specific market of military oil equipment," notes Patrice Vignial, president of GILEP and president and general manager of the Rellumix company. Perhaps one or two firms specializing in the areas of pumps and meters are still lacking?

#### The Members of GILEP

<u>Name of Firm</u>	<u>Turnover (in millions of francs)</u>	<u>Proportion of exportation (%)</u>	<u>Personnel</u>
CellotubDynaflax-Boutin (CDB)	100	20	260
Colfran Lubrifiants	85	NC [*]	200
Entreprise Industrielle de Chaudronnerie (EIC)	10.8	65	45
Fruehauf France	707.9	45	1,990
Kleber Industrie	NC [*]	NC [*]	5,200
Max Perles et Cie	24	10	51
Nyco	143	84	130
Pronal	25	very small	110
Rellumix	37	25	167
Renault Vehicules Industriels (RVI)	12,250	42	28,242
Sofrance	43.7	30	296
Superflexit	60	30	270
Titan	150	45	321
Trailor	504.7	39	2,291
Zenith Aviation	88	24	301
<b>Totals</b>	<b>14,229.1</b>	<b>35</b> (average)	<b>39,874</b>

[\*] Not calculated

The role that GILEP will take on will be a triple one: first of all, making its members' products and possibilities known, both in France and abroad; secondly, with or without the armed forces' aid, conducting commercial activities abroad with foreign armed forces; and finally, working out technical cooperation among its members, so as to improve techniques and products.

GILEP has already gone into action, this summer. Saudi Arabia and its army have issued a call for bids for more than a thousand road tanks--a big order that immediately excited covetousness in a good many firms. GILEP, one of whose basic principles is to avoid any French-French competition, was put to the test from the very start: Trailor, Titan and Fruehauf agreed to make common



cause. For the customer, this is a guarantee of adherence to deadlines and great homogeneity of fabrication and maintenance. Finally, for the industrialists it is a guarantee of rational use of their working tools through better distribution of tasks.

If discipline has always been the strength of armed forces, there is no reason why it should not be the strength also of industrialists who group together!

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CSO: 3519/105

## BUDGET BILL SUBMITTED TO ALTHING; SIXTY PERCENT DEBT RISE

Reykjavik MORGUNBLADID in Icelandic 13 Oct 82 p 17

[Text] According to the 1983 budget bill presented to the Althing yesterday, the total income of the national treasury will amount to 12,773 million kronur, and the total debt 12,692 million kronur, which means the income will exceed the debts by 82 million kronur. Income will increase approximately 60.3 percent over the 1982 budget, and approximately 36.6 percent over the reevaluated anticipated income from the same year. The debt increase from 1982 to 1983 will amount to 60.5 percent, according to the bill, but if reevaluated anticipated debts are included in the calculation, the increase will amount to 42 percent.

According to the bill, total federal income will be distributed as follows: direct taxes, 2,422 million; indirect taxes, 10,167 million; other income, 184 million. Debts will be categorized as follows: 5,352 million under the heading of "common consumption," 5,727 million for consumption and operational costs, but that figure lacks the component of "special income," which amounts to 252 million. Investments are anticipated at 809 million and subsidies at 1,055 million.

It is anticipated that the national treasury will take out loans in the amount of 525 million, and that payments on existing loans will amount to 2 million. It is anticipated that payments of treasury loans will amount to 568 million, with a balance of payment of 26 million and a 100-million payment on the loan to the Central Bank.

The anticipated income of the treasury will be distributed as follows: property tax is anticipated at 354 million, income tax at 2,068 million, debts from imports 2,109 million, taxes from manufacturing 960 million, taxes from sold goods and services 6,320 million and other indirect taxes 778 million. Inheritance taxes, as well, from the B portion of the budget, will amount to 24 million, and miscellaneous income will amount to 160 million.

Consumption and operational subsidies, according to the bill, are calculated as follows: 3,483 million will go for public insurance benefits, 839 million

(a substantial increase from last year) will go for down payments, 263 million for export taxes, and 215 million into the Icelandic Student Loan Fund. This means an increase because, according to the bill, an increase in loans is anticipated as a result of needed funds rising from 90 percent to 95 percent. Less money will go into the other category, but the resultant figure is 5,727 million, as mentioned above.

Federal income is anticipated as follows, divided according to category: for social security 3,618 million, for education 1,628 million, for health programs 1,259 million, for roads 838 million, for down payments 839 million (see above), for construction 523 million, for courts and police 438 million, for interest payments 365 million, for transportation other than roads 309 million, for energy 317 million, for housing 220 million, for life support payments 228 million and for administration 224 million.

Concerning the loans to the national treasury, it should be mentioned that the taking of foreign loans is anticipated in the amount of 692 million, domestic issuance of bonds on the amount of 200 million, that the return of money loaned out from banks will amount to 318 million and that other domestic money sources will amount to 260 million.

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CSO: 3626/8

## INDUSTRY SPOKESMAN WORRIES OVER NORDIC DEVALUATIONS' EFFECT

Reykjavik MORGUNGLADID in Icelandic 14 Oct 82 p 12

[Interview with Thorarinn Gunnarsson, chairman of the Association of Icelandic Industrialists]

[Text] "The devaluation of the Swedish krona and the Finnish mark makes our Icelandic industry's ability to compete even worse than it already was, and it certainly wasn't improving before," said Thorarinn Gunnarsson, chairman of the Association of Icelandic Industrialists in an interview with MORGUNGLADID in which he was asked about the effects of the monetary devaluations in Sweden and Finland.

"The exchange rate of the Icelandic krona relative to the European currencies has been very negative the last few months, and this trend will continue. The exchange rate is especially bad for industries such as clothing, furniture and carpentry, which have been having a hard time in the last few months and seasons," Gunnarsson further said.

Gunnarsson also revealed that there had been a percentage increase in imports from Sweden during the last few fiscal years; clothing imports, on the one hand, and furniture and carpentry imports, on the other hand, had increased substantially during that time.

Gunnarsson cited as an example of the tendencies in the exchange rate that the selling rate of the Swedish krona had increased almost 42 percent since 1 Jan 1981. The selling rate of the Swedish krona in January 1981 was 1,4265 Icelandic kronur, whereas it was 2,0211 yesterday. At the same time, all domestic costs have risen more than 100 percent.

9485

CSO: 3626/8

## PAPER ATTACKS FINANCE MINISTER AND HIS BUDGET BILL

Reykjavik MORGUNBLADID in Icelandic 14 Oct 82 p 24

[Editorial: "A Recession Budget"]

[Text] Finance Minister Ragnar Arnalds called the budget bill which he presented last Tuesday a "recession budget." The reasons for recession in Iceland are twofold: poor economy in the world at large and economic breakdown in Iceland itself. The finance minister's solution for the situation is as follows: we should cut down investments and economic growth, and withhold all social services. Concerning the minister's speech on this topic, one might say that in all those countries where substantial steps have been taken against recession, the approach has been that all government expenses have been cut back; but Ragnar Arnalds does not have the power to do this. The economic breakdown that the minister talks about is imaginary, as has been proven elsewhere. The minister's budget bill for 1983 is characterized by the following attitude--that the time is now past when money comes streaming into the national treasury because of a growing rate of business and increased importation. The budget bill shows that to some degree Ragnar Arnalds does not believe his own predictions that we are "about to drown in debt." By means of building up foreign debts, we have been creating an artificial standard of living in Iceland for some time now. The minister still puts his greatest faith in torturous taxation, which has proven problematic.

At the same time as Ragnar Arnalds presented his new budget bill, he bragged that the national treasury has been managed such that there were funds left over in 1980 and 1981. The minister considers this a sign that the national money matters have been well managed. This self-satisfaction of the finance minister is like that of a man who owes everyone who goes to his creditors and explains that he can come up with the money, because on 31 December each year he still has room left in his checkbook. One doesn't need to be particularly smart or to read too much in the budget bill to realize that the mathematical expertise which the finance minister offers as an ideal is so limited as regards the economic matters of our nation that the minister is actually deceiving his fellow countrymen with these explanations of his. This kind of deception is certainly consistent with the modus operandi of the People's Alliance in other aspects of this government.



Ragnar Arnalds has demonstrated that, and also shown in his term as finance minister that he is in fact a conservative of the old school. That is why he enjoys such great honor as a minister of the People's Alliance. The minister looks benignly down on other ministries and government offices from his high throne, as he reveals by his choice of words in the budget bill. In its notations the bill says, among other things: "Despite the real decline in investments and multifaceted cutbacks which many departments have had to complain about (as is to be expected), we will not be able to avoid it, as a result of this great decline in trade and business which seems to be necessary, the way things stand, to manage the budget this time with fewer funds left over than we have had in the past two years."

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CSO: 3626/8

## UNEMPLOYMENT DOUBLES IN YEAR, THOUGH STILL LOW

Reykjavik MORGUNBLADID in Icelandic 16 Oct 82 p 40

[Text] Unemployment has increased substantially this year, compared with the same time last year. This August, total unemployed man days were recorded at 6,720, compared with 3,901 for the same month last year. The increase from last year amounts to 72 percent.

Examination of the first quarter of this year reveals that the total recorded unemployed man days came to 35,622, compared with 15,225 last year. The increase from last year is, therefore, almost 134 percent.

The total unemployed man days recorded for the second quarter of this year amounted to 8,554, compared with 6,002 for the same period last year. The increase from last year amounted to 42.5 percent.

The total number of unemployed persons this August was 310, whereas last year during the same time period only 180 were recorded as being unemployed. For the first quarter of this year, 1,644 unemployed persons were recorded, whereas the figure was 703 for the same time period last year. Finally, it should be mentioned that for this year's second quarter, 395 unemployed persons were recorded, compared to 277 at the same time last year.

Unemployment as a percentage of the available work force came to 0.3 percent this August, compared with 0.2 percent in August of last year. During the first quarter of this year, this percentage was at 1.6 percent, compared with 0.7 percent at the same time last year. During the second quarter of this year, the percentage was 0.4 percent, compared with 0.3 percent at the same time last year.

When the figures on recorded unemployment days are examined, it can't help but be noticed that the increase is proportionately larger in the rural areas than in the Reykjavik area. It should be mentioned that, in connection with this, the recorded unemployment days for August in the Reykjavik area were 2,366 this year, whereas the figure was 1,999 last year. The increase from last year was thus 18.3 percent. Unemployment days in the rural areas for August were recorded at 4,354 this year, compared with 1,902 last year; the increase from last year was thus almost 129 percent.

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CSO: 3626/8

## PAPER BACKS CHARGE THAT GOVERNMENT INEFFECTIVE IN ECONOMY

Reykjavik MORGUNBLADID in Icelandic 28 Oct 82 p 24

[Editorial: "Fountainhead of Problems"]

[Text] In spite of the so-called government economic policy and its summer previsory law, the large Icelandic foreign trade deficit will continue next year, according to the economic projects of the prime minister. In spite of the cut in the purchasing power of wages, the indications are for a 60 percent rate of inflation next year. Nothing has been done to keep business going past the beginning of next year. The "crisis" that has set its mark on the economic life of the Icelandic people has not been overcome. On the contrary, the tendency towards a shortage of full-time employment and towards unemployment continues unabated. That was the essence of the statements of Geir Hallgrimsson, chairman of the Independence Party, and of Althing member Larusar Jonsson, when the policies of the prime minister were under discussion last Monday in the Althing.

Geir Hallgrimsson said, among other things:

"Everywhere people are against misgovernment and the ignorance of the government. The trend of events is moving rapidly in that direction experienced by the economies of the Eastern bloc nations under socialist rule. Business stands on shaky ground, the people are at odds with one another or resigned to their fates. Wage cuts and inflation are becoming an increasing burden for them... There is a need to fight back, change government policy and begin a recovery."

The Independence Party chairman said that the government has given up in the battle against inflation. That is absolutely evident. Inflation, which according to the government's covenant was to be down to a rate of 7-10 percent by 1982, will be at least 60 percent from the beginning of the year to the end, in spite of the purchasing-power cuts in wages.

The government has failed in its primary task of guaranteeing a basis for employment, which is increasingly in short supply and debt ridden. Future employment security will not be assured by calculating growth in the labor market as of no importance whatever. And living standards that are based upon a

growing deficit in the national household and on foreign debt accumulation do not stand on a solid footing, to say the least.

The government has likewise neglected to create new kinds of employment. The great potentialities embodied in unused, domestic energy sources and energy production have been brushed aside by the Ministry of Industry. The inaction that has reigned there has prevented an improvement of the living conditions of the people for too many years.

The People's Alliance and Progressive Party entered the coalition under the belief that they had been successful in permanently separating the Independence Party from the support of the middle class forces in the electorate. The local elections proved to them how truthful this was. On the contrary, now internal dissension storms in the People's Alliance, and there is no end of it in sight.

When it became clear that the so-called economic measures of the government had solved no problems and that the government no longer had a secure majority in the Althing, the Independence Party demanded, when the Althing was called together last August, that there be a discussion of the most important issues, e.g., redistricting, and that the Althing be dissolved and new elections held. If these democratic demands had been met, we would now be in a much better position to solve our urgent problems.

"We Independence Party members are in no way willing to support the policies and actions promoted by the present government, and call it to account." So said Geir Hallgrimsson. As things stand now it would be best if the people of Iceland would have the opportunity to express their judgement, in an election, of the train of events that will take place in the future.

The government has failed the test of experience. Problems pile up in its hands and are not being solved. Divided, irresolute and without an Althing majority, it is proving to be a fountainhead of problems. The need is to take a firm hold on things by having the public intervene in the train of events, in democratic and parliamentary terms.

9857

CSO: 3626/7

## TRADE DEFICIT FOR FIRST THREE QUARTERS SHOWS LARGE JUMP

Reykjavik MORGUNBLADID in Icelandic 31 Oct 82 p 2

[Article: "Trade Balance Unfavorable by 2,384 Million Korna"]

[Text] The Icelandic balance of trade was unfavorable by more than 2,384 million krona during the first nine months of the year. The value of imports during this period was more than 8,041 million krona. The value of exports, on the other hand, was barely 5,697 million krona.

In September the trading balance was unfavorable by nearly 297 million krona. The value of imports during that month was more than 1,145 million krona. The value of exports, on the other hand, was more than 848 million krona.

By way of comparison, the Icelandic balance of trade was unfavorable by more than 540 million krona during the first nine months of last year. The value of imports during the period in question was more than 5,027 million krona and the value of exports, on the other hand, more than 4,487 million krona.

Among exports, aluminum and aluminum alloys were the most important with a value of nearly 542 million krona for the first nine months of the year. By comparison, the value of these exports was more than 433 million krona during the same period last year.

Imports for the Icelandic Aluminum Company were most important among imports. Their value for the first nine months of the year was almost 450 million krona compared with 330 million krona for the same period last year. It may be mentioned that imports of ships for the first nine months of the year were around 253 million krona while imports of ships were valued at around 42 million krona during the same period last year.

In comparing with foreign trade figures for 1981, it should be kept in mind that the average foreign exchange rate for January-September 1982 was calculated to have been 51.0 percent higher than during the same months last year.

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CSO: 3626/7



## EMPLOYERS ASSOCIATION WARNS AGAINST NEW LABOR BENEFITS

Reykjavik MORGUNBLADID in Icelandic 3 Nov 82 p 2

[Article: "Association of Icelandic Employers on the Effect of Extended Vacations Proposed by the Government"]

[Text] The Association of Icelandic Employers has, in a letter of 20 Oct to the Minister of Social Affairs, expressed its opposition to the declared intention of the government to increase vacations by 20 percent. It is stated in the Association of Icelandic Employers letter that it is clear that purchasing power will not increase even if wages are paid without being matched by production. On the other hand, such a change will increase the total wage costs of companies.

"In view of the prevailing economic circumstances and declining production, no measure is as wrong as that proposed, which obligates the employer to increased payments for time that has not been worked," says the letter of the association.

It is stated in the letter that hours worked in a year in Norway, Denmark and Finland are nearly 7 percent more than in Iceland. It goes on: "It is thus amazing that the government is making efforts for a still further reduction of work hours in a time of declining national production." Reference is made to the fact that if the proposal becomes law that hours worked in Iceland will be around 90 percent of what is the custom in countries neighboring Iceland.

It is stated in the letter of the Association of Icelandic Employers that if it is assumed that the planned days off are not compensated for by overtime, that is, that total production time will decline by 2.18 percent, the result will be that total wage costs per hour, that is, the real effect of wages on production costs, will grow by 1.9 percent while the total income of wage earners will decline by 0.4 percent.

It is also stated that if it is assumed that the increased days off will not result in increased overtime national production may decline by a full 2 percent for that reason. "Wage costs of the companies per hour, on the other hand,

will increase by nearly 1.9 percent. The impact of this on inflation should be clear to all. The same would be true in fact even if national production be maintained unchanged with increased overtime. This, however, would increase the total wage costs of employers by 2.7 percent per hour, with a corresponding impact on inflation," the letter goes on.

"It is very clear that declining production will in no way support increased purchasing power and it is very deceptive when it is stated in the preamble to the government proposal on vacations that lengthening vacations will be equivalent to 2 percent in wages. The truth is that an increase in paid leave will, on the contrary, result in a cut in the purchasing power of wages," it also says in the association statement.

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CSO: 3626/7

## PALME GOVERNMENT SUBMITS 1983 ECONOMY AUSTERITY PLAN

## Palme Defends Proposals

Stockholm SVENSKA DAGBLADET in Swedish 11 Nov 82 p 6

[Article by Elisabeth Crona: "Social Democrats Answer Criticism: A Fair Distribution of Inconvenience and Dissatisfaction"]

[Text] Real incomes are going to decline by 2.5 percent, private consumption by 2 percent. Inflation is calculated at 11 percent--based on no wage increases in the labor market. The budget deficit in the current year will be about 90 billion.

These fresh prognoses were presented by Minister of Finance Kjell-Olof Feldt at the government's economic press conference on Wednesday.

Prime Minister Olof Palme opened the conference by saying that the contents of the proposals basically agree with what he said about 6 months ago.

The four main parts are the so-called promises proposal (health insurance, child care, pensions, unemployment compensation), the investment program, measures for short-term alleviation of unemployment during the winter and provisional recommendations for profit-sharing.

## Profit-Sharing

Kjell-Olof Feldt took over and declared that the intention of profit-sharing was to put "a certain pressure" on business. He said it only applied for '83, and is not expected to be extended.

As for the tax on electrical power production, it is aimed at the above-normal profits from older plants.

The budget deficit is expected to grow by 15 billion, and remain at about 90 billion kronor.

Feldt pointed out that a large part of the government's increased expenses are going to the labor market--about 4 billion kronor.

"But this expenditure is not permanent. Therefore it does not lead to a permanent worsening of the budget deficit," he said.

He gave two main causes for the increased budget deficit: interest and the necessity to save nationalized businesses from bankruptcy. (The latter costs about 10 billion kronor.)

The general prognosis for '83 sounds as follows: No dramatic worsening or improvement, but a certain growth. The decline of investment will stop, as will the increase in unemployment.

The deficit in the trade balance is expected to increase, even though the amounts of export and import will be larger. Feldt put the deficit figure at 21 billion.

#### Real Wages Will Decline

When the government calculated the changes in real income they did not include any new income increases in the coming wage agreement. Real wages are expected to decline by five percent, while real income--because of contributions to families with children and pensioners--are expected to decline by 2.5 percent.

Families with children will be given 2 billion, said Sten Andersson.

Olof Palme was asked if his economic policies fulfilled the promises he gave during the election campaign.

"Yes," he replied. "As for the pensioners, one must make a distinction between two things: protection of value, which we have lived up to in detail, and devaluation--where the pensioners are prepared for a one-time sacrifice."

#### Fair Distribution

About criticism from business, pensioners and others Olof Palme said, "If you believe that the outstretched hand always means good news to all groups, you are wrong. It really means a fair distribution of inconvenience and dissatisfaction."

Asked about future tax policies, Kjell-Olof Feldt replied, "The goal is still that 90 percent of the full-time workers will pay 50 percent income tax in 1985."

## Effect on Typical Family

Stockholm SVENSKA DAGBLADET in Swedish 11 Nov 82 p 6

[Article by Emily von Sydow: "No Video, Costlier Food--But Hope of a Job"]

[Text] The Kvist family should be prepared for new, tough measures in the economy. The government's crisis package contains a number of new taxes.

The enticing brochures of video tape recorders will go in the waste basket, despite the children's nagging. The new tax will make the device at least 600 kronor more expensive.

The Kvist family lives in an old rented apartment. The rent is going to rise considerably. The dream of their own villa was put on the shelf when the exemption limitations were announced.

To avoid rent increases the family is considering moving to the new area called Plommonviken, which will be ready for occupancy in several years. There rent rebates are available up to 60 kronor per square meter.

### Less Inheritance

The inheritance tax takes a larger chunk out of the inheritance which Grandfather Kvist left.

Grandmother's joy over the value of her pension being protected is dampened by her not being compensated for the price increases caused by devaluation. Value protection gives her about 300 kronor per month.

The cost of food is pulling at the Kvist family. The increase in the value added tax of two percent is felt at the dinner table.

### More Milk

Instead it is milk which will flow. It will be further subsidized by the government to help families with children.

Now for the good news for the Kvist family: the three children, ages 16, 12 and 7 will bring in more money because of the sharply raised child allowance.

There is the youngest son Nils, who is the real golden teat. He will produce a doubled allowance. For the two oldest children the allowance will increase by 300 kronor to 3,300 kronor per year.

The government's crisis package also contains an enticement to the Kvists, who want to have another child. The fourth child will produce a doubled allowance--6,600 kronor per year.



### Perhaps a Job

Sixteen-year-old Jan goes to junior college. His student allowance increases by 25 kronor to 275. Youth unemployment is a big worry for Jan. But he hopes that the billion which the government is investing in relief work for youths will benefit him when he has finished school in the spring.

If Jan still has no job when he finishes school, he can comfort himself with labor market support, KAS [cash unemployment allowance], which is increased from 75 or 80 kronor to 100 kronor.

### Chance to Study

Papa Kvist, who is a long-time member of TCO [Central Organization of Salaried Employees], notes with satisfaction a new vine in the jungle of deductions: The trade union deduction will be a maximum deduction of 480 kronor on the final tax bill.

And Mama Kvist, who has not felt for a long time that she could afford to study, is going to send for course plans, strengthened by the promise of increased allowance for student support of 20 percent.

### Paper Hits Palme Bargaining With Labor

Stockholm SVENSKA DAGBLADET in Swedish 14 Nov 82 p 2

[Editorial: "The Government Negotiates"]

[Text] We now know a great deal about what Palme's outstretched hand contains.

For many Social Democratic voters the contents probably came as a great surprise: the main message of the election campaign was that with a Social Democratic Government, Sweden will move toward better times. Nothing at all was said about bootstrap policies, no, now it was time for elbow room. Some little bitty tax increases could certainly come--but who expected that practically every other tax would be increased as a step in fighting Sweden's economic problems?

For the majority of the nonsocialist voters, the Social Democrats' economic program is no surprise. The most unexpected was that Olof Palme would so quickly forget what he had said to the voters in the election campaign. But for Ulf Adelsohn, Thorbjorn Falldin and Ola Ullsten it was entirely clear that the Social Democrats could not carry out the policies which they said they would; that was brought out, among other things, in the interviews which SVENSKA DAGBLADET had with the party leaders recently.

And the former Minister of the Budget Rolf Wirten (Liberal Party) wrote as recently as 10 September in a polemic with Kjell-Olof Feldt (Social Democratic Labor Party) in SVENSKA DAGBLADET:

"The consequence of his reasoning is to expect that there will be large tax increases with a Social Democratic Government. It is sad that when Feldt now really states that the Social Democrats are going to raise taxes much more than was previously announced, he does not say it straight out. It seems as though it is a conscious Social Democratic tactic to avoid clear statements."

That is one part of the Social Democrats' "new" policy which was not once suggested in the election campaign. But one could still suspect what was coming.

But one could or would hardly do that in the other part: the Social Democrats' clear effort to run away from their campaign promises by making up with different organizations, otherwise often called power groups. It is certainly not only the krona which is being devalued this fall.

This behavior is basically much more serious than the contents of the policy. The most visible proof of this new way of governing is shown by the government's total absence in the Riksdag the other day when the Social Democrats' minibudget was debated.

But Olof Palme, Kjell-Olof Feldt and Sten Andersson sat at that time in negotiations with LO [Swedish Trade Union Confederation], PRO [Swedish Pensioners' National Organization] and other "representative organizations."

In that situation, what is the job of the parliament, elected by the people?

Yesterday a large number of nonsocialist politicians went on the attack against the new form of government that the Social Democrats are introducing in Sweden: government by negotiation. "A sample pattern of top government" was the judgment of Olof Johansson (Center Party). "Government is on the way to being the prisoner of LO," said Ola Ullsten (Liberal Party). And Gosta Bohman (Conservative Party) attacked the entire ideological field which the Social Democrats have now elevated to statecraft.

LO does not represent all Swedish wage earners. PRO does not even represent one-fourth of Swedish pensioners. TCO represents...yes, itself. Etc.

But the Palme government negotiates first with these and other special interest organizations, and then believes that it can deal at will with all the other citizens, after having "acceptance" from one to the other, as Palme so delicately puts it.

The prime minister should consider that he was not elected, nor ever would be elected by LO or PRO or other Social Democrat support organizations.

It is the voters who have given him the mandate to be prime minister. And if Palme is to be released from more campaign promises, he should know that no special interest organization in the world can release him from these.

This right belongs only to the voters. And they can not be negotiated with in any other way than by a general election.

#### Government Economy Forecasts Questioned

Stockholm DAGENS NYHETER in Swedish 16 Nov 82 p 10

[Commentary by Jan Magnus Fahlstrom: "Tactical Motives Behind Government's Prognoses"]

[Text] New prognoses as to how it will go with the Swedish economy in 1983 are streaming in, with consideration being given to devaluation and the government's signals about the economic policy.

Beside the government's own judgment on the proposition of "certain economic-political measures, etc." one can add the fall report from The Swedish Institute of Economic Research (KI), and analyses from the economists at PK Bank, S-E Bank, and Handels Bank.

First on the scene was Handels Bank (SHB), which in its newspaper AKTUELL EKONOMI (dated 25 October) was notably more optimistic than the other forecasters on the question of export and industrial investment, among other things.

But after a new review, which was published on Monday, SHB tightened up its expectations, so that the differences were partly or entirely leveled out.

It depends, according to what the head of the bank's economic secretariat Lars Jacobsson told DAGENS NYHETER, mainly on taking into account the new and gloomy predictions for business conditions in West Germany.

The impression that help from West Germany is not much to hope for from the Swedish viewpoint gets support in the November report from Commerzbank, according to which there is no sign that the West German economy is about to turn up from the bottom of the recession. Even in the "best case" developments, the next 4-5 years are going to be "very suppressed" said Commerzbank.

According to the revised SHB prognosis, the government's, KI's and the three bank's views of the Swedish economy during 1983 are with some exceptions moderately similar. GNP is expected to increase in volume between 1.5 and 2.1 percent, export will increase between 6 and 7.5 percent, private consumption will decline between 2 and 2.5 percent, etc.

A notable exception, however, is industrial investment. According to KI it will decline by 8 percent, according to the government by 5 percent, according to SHB and PK Bank stay at plus or minus zero, and according to S-E Bank increase by 3 percent.

That is interesting, and can possibly be interpreted as a hopeful sign, that the banks are clearly more optimistic on the question of investment developments, since they will continue to have the closest contacts with industry.

But on the point of industrial investment there is reason to be more than usually skeptical towards the soothsayers, especially while waiting for the investment report by the Central Statistical Bureau--the first since devaluation--which is coming out any day now. Of course we are lacking actual experience of how business reacts to such a powerful devaluation, in a pronounced dark and difficult recession.

On the question of inflation the spread of opinions among observers goes in the opposite direction. The government says 10-11 percent during 1983. KI says 11.4, S-E Bank says 12, PK Bank says 13 and SHB says 14-15 percent.

Here it should be noted that the government has an obvious interest in holding inflationary expectations down, especially when thinking of the coming wage negotiations. The government's inflation figures are based on the optimistic assumption that there will not be any new negotiated wage increases at all in 1983. On this point the bank economists have a greater tendency toward realism.

As for the balance of trade the circumstances are again the opposite. The government claims a deficit in 1983 of 26.3 billion, KI stops at 21, SHB and S-E Bank at 20 and PK bank at 18 billion.

The difference is due to the government starting from a poorer development of the market share of Swedish industry than the other observers. Even here there is the suspicion--or perhaps the hope--that the government is using tactical considerations.

At least two tactical motives can be found for the government to appear pessimistic on the long side. Partly it can desire to create sharpened crisis consciousness in order to dampen different kinds of compensation expectations and thereby save the fruits of devaluation. Partly it is--with 3 more years until the next election--tempting to hang crepe so that before the next election they can show surprisingly good results.

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CSO: 3650/49

## BRIEFS

GROWING TRADE DEFICIT--According to preliminary calculations by SCB [Central Statistical Bureau] foreign trade during October produced a deficit in the balance of trade of 1.1 billion kronor. Exports rose to 15.4 and imports to 16.5 billion kronor, which means an increase of 10 and 14 percent respectively from October 1981. The Swedish devaluation in the beginning of October probably had a negative effect on the balance of trade for October on the order of at least half a billion kroner. During the period January-October of this year the trade balance shows a deficit of 1.7 billion kronor compared with a deficit of 0.8 billion kronor for the same period last year. Oil import's share of the total import value declined from 23 to 22 percent. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 14 Nov 82 p 32] 9287

CSO: 3650/49



## POSSIBLE U.S. CONTRIBUTION TO CYPRUS ISSUE SOLUTION DOUBTED

Nicosia KHARAVGI in Greek 29 Oct 82 pp 1, 7

[Text] The appointment of Christian Chapman, "a senior foreign service officer" of the U.S., as a "special coordinator" for the Cypriot problem heralds a new intensive American intervention in the effort to find a solution to the Cyprus problem.

Such more active intervention by the U.S., instead of giving us hope, fills us with misgivings and fears. It brings to mind the old, unacceptable plans of [George] Ball, [Dean] Acheson and [Gen.] Lemnitzer. It also brings to mind the recent American-Canadian-British plan. It brings to mind the guilt of the U.S., as a leading power in NATO, in the big crime of the coup and the invasion of 1974. It brings to mind the negative, hostile attitude of the U.S. in many sessions of the General Assembly and the Security Council of the UN.

We do not deny that the U.S. government could play in the past and today a decisive role for the solution of the Cypriot issue, as a leading NATO power and as a permanent member of the Security Council. Many times it was suggested [to Washington] that it could play a positive role, not only by us who were asking [the U.S.] to pressure and force Turkey to comply with the UN resolutions, not only by the Soviet Union which proposed a U.S.-USSR cooperation for pursuing a just, final solution, but by the U.S. Congress itself which in 1975 went so far as to impose an arms embargo on Turkey.

Although the State Department announcement indicates that the objective of Mr. Chapman's appointment is "to support the intercommunal talks which are held in Cyprus under the aegis of the UN" and to assist the UN secretary general, our people are justifiably worrying about this more active involvement of the U.S., not because they do not want the help of all countries in the solution of the Cypriot issue; or because they do not believe in the decisive role the U.S. could play. But because Turkey's NATOist occupation could end today if the junta were forced by the U.S. to accept a solution based on the UN resolutions and on international law. Chapman's involvement in the work of the UN secretary general, under whose aegis the inter-communal talks are held currently, can create only difficulties and confusion. No other intermediaries and coordinators are needed. Perez de Cuellar knows the Cypriot issue well and should be assisted by the Security Council and other authorized bodies.

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CSO: 3521/56

## INSINCERE APOLITICAL GREEK STANCE DERIDED

Nicosia I SIMERINI in Greek 21 Oct 82 p 1

[Article by Savvas Iakovidis: "The Wounds of Hellenism"]

[Text] "Frankly, I do not believe that the current intercommunal dialogue can lead anywhere; it is just treading water. We have completed 8 years and if the dialogue goes on the same way, we will spend another 8 years. The Cypriot people are entitled to their freedom, integrity and national independence."

This is a statement made by Greek Premier Papandreou. This is not the first time that Papandreou speaks against the intercommunal talks. Earlier he had called them the Tales of the Arabian Nights. What is the meaning of the Greek premier's statement? It means that Greece is officially in disagreement with regard to the conduct and the future of the dialogue. Why? What does Nicosia have to say? It says and repeatedly accuses of being political parrots all those who argue against the notion that the dialogue must go on to find a solution to the Cypriot problem. Why, what does Nicosia say? It argues that the only solution for the problem is the dialogue; the dialogue which Papandreou only 2 days ago called fictional and no existent.

Any thinking and cool-minded observer of the Athens-Nicosia relations can see that discord between the two sides remains. How can Kyprianou and the government claim that the meeting with Papandreou was cordial and that important decisions were made when there is total disagreement on the set targets? How is it possible to have reached important decisions when on the very same day he met with Kyprianou Papandreou made the statement that the dialogue is fictional, nonexistent and fruitless? How is it possible to have reached important decisions when Nicosia has "not changed positions" as the known slogan goes, but insists on a dialogue Papandreou characterizes as a fable and a fiction?

But there are other questions as well: Why does not Athens say to Nicosia once and for all to stop this charade and fictional dialogue and to plan together and move on with the next moves? And since everyone--except the alliance--believes that the dialogue is a failure and a fable, why do they not reach a common decision to denounce it and resort to other methods and other means, if they do exist? But Athens is not going to do any of the above. It is very simple. With the well known insults and name calling, Papandreou has well understood the meaning of the Cypriot reality. He applies--like Karamanlis and Rallis--the disastrous dogma that ostensibly "Cyprus decides and Greece supports."

This column only recently analyzed the spectrum, extent and content of the Greek-Cypriot relations. It argued that the greatest wound in these relations is the continuous and insurmountable, for so many years, insincerity, suspiciousness and misinterpretation of thought, intentions and decisions. Now a new wound has been added: insult to the intelligence of all Hellenism. This column repeatedly and insistently has written that the only real support for us is Greece, for many and important reasons. The most important reason is that only Greece can rush to our aid in a moment of crisis. Nicosia and Athens owed, in the name of so many sacrifices and blood but also the visible dangers confronting Hellenism, to chart a specific and real policy on the Cypriot question.

This policy should be kept and applied without deviation, no matter who is in office both here and in Greece. Papandreou cannot say one thing privately to Kyprianou and another to the press. Papandreou cannot agree with Kyprianou, with Lyssaridis, with Papaioannou and with Kliridis and at the same time to disagree with everybody and with each of them separately! Unfortunately such a policy does not exist in spite of statements to the contrary. There is only petty politics and seasonal sloganeering. And when is all this going on? It is going on at the moment when the Turks do not conceal their aim to occupy the entire Cyprus and to cause a fait accompli in the Aegean.

The recent statement by Papandreou and the known policy of the alliance as well as the triumphant cries about alleged agreements and important decisions testify that after 30 years of bloody trials, Hellenism has not yet decided to behave seriously and plan its defense against the dangers it confronts. When Hellenism will decide to do so may be too late.

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CSO: 3521/55

## LACK OF GENUINE HELLENIC DEMOCRATIC SPIRIT LAMENTED

Nicosia O KIRYKAS in Greek 20 Oct 82 p 1

[Excerpts] Everybody will "crush" everybody else! The word "crush" is used by the parties in the Greek area to describe their victories or the victories they will win in the future against their opponents. Who is crushing whom? Greeks are crushing Greeks! This word has destroyed Greece for the last 50 years. It is identified with the civil war! It is a civil war preaching. It is not a sermon of orthodox, responsible, wise political life. The word "democracy" is fighting with the word "crushing." Democracy means dialogue, not the crushing of opposition. The crushing of opposition means political primitiveness and rejection of democracy.

Both in Greece and in Cyprus a kind of political amok characterizes the election campaigns and a passion for total destruction of opponents dominates our feelings and political instincts. But such behavior does not solidify civilized and cultivated political customs. On the contrary, it nourishes unorthodox, inhumane, amoral and evil conditions in the functioning of democracy. The parties express the views and ideas of the people. The people organize into parties and the parties organize the state. The "crushing" of parties means crushing of the people and crushing of the state!

The struggle among parties and the struggle of the ideas they represent is healthy. The "crushing" is sickness. The dialogue and the noble competition for office with persuasion and argumentation is the insurance for smooth political life and proper functioning of contemporary democracy. Proscriptions, mud-slinging, "crushings" are the insecurity of political life and the denial of the rules of democracy. In democracies, people do not "crush" and do not "decimate." In democracies people win or lose until the next election. If they win, the victors are magnanimous... If they are defeated they remain calm, moderate and sober. These are especially important in normal and peaceful periods. In nonpeaceful, warlike times they become even more important. Because, how can the Greek nation solve its problems when one half wants to "crush" the other half? And in Cyprus? How can Cyprus have any future with our "crushing" one another?

Democracy has been crushed in the eastern "democracies." Just as in these days the "counter-revolution" of Poland's proletarians has been crushed. In these democracies the dialogue is forbidden. The political parties are forbidden. The opposition is forbidden.

everything has been "crushed." Those are the models they want to bring here... Yet there are some rightist political children which want to "crush" the center-right for the sake of democracy! And there are also people who contemplate the country's future with optimism. Democracy, security, freedom and prosperity face in this land an immediate and tangible danger. Those true democrats and patriots who remain silent or indifferent or inactive should expect in their inactivity their final captivity and their final "crushing."

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CSO: 3521/55



## JOINT COMMUNIQUE WITH GREECE VIEWED WITH SKEPTICISM

Nicosia O KIRYKAS in Greek 22 Oct 82 p 1

[Excerpts] The latest visit to Athens is over. The joint communique has been published. It is a communique that speaks about "the framework of close and sincere cooperation" between Athens and Nicosia, the "cordial atmosphere" of the talks, the "useful exchange of views and assessments," some "decisions" concerning the "required actions," and about the large number of those who were present at the talks "from the Cypriot and Greek side."

The [AKEL-Democratic Party] Alliance celebrates the "great achievement" since for it the annoying "misunderstanding" no longer exists. All is well. Everyone is emotional about it! Of course, not because the talks in Athens served the real promotion of our national cause, but because Papandreu does not seem to claim anymore that AKEL insulted him and that Kyprianou, by his silence, endorsed the insult.

For us the AKEL insults or the unacceptable Kyprianou silence was never the issue. For us the problem, the great problem, was the restoration of harmonious relations between Athens and Nicosia. Our national cause can never go forward without the sincere and coordinated cooperation between the governments of Greece and Cyprus, and without identical views. Greece was and remains the only certain support to our struggle for national survival. This support was shaken and assaulted, at one moment, by the alliance of shame.

If the recent visit of Kyprianou to Athens, with all its consequences, can be interpreted as the end of the crisis and as a definite restoration of the harmonious relations between the two governments, then the Cypriot people are entitled to be joyous over this happy event.

Yet the alliance rejoices and celebrates for the partisan effects of this visit, not for the national benefits that probably came out of the talks. The alliance interprets the real meaning of the visit as a capitulation of A. Papandreu who allegedly broke down, gave in and adhered to the views and the line of the so-called "Democratic Cooperation."

The joint communique does not justify the triumphant cries or the celebrations. It is only a conventional communique that would seal a Kyprianou visit to any country in Latin America or Africa.

That's all. If the alliance celebrates it is not for the real result of the talks or the evangelical message of the communique. The joint communique does not say anything substantial, pleasant or satisfactory. But the alliance can claim a great deal about the "cordial atmosphere" the "sumptuous dinners," and "broad smiles" and the "warm handshakes." That's all that matters for the alliance. The rest--including our national cause--are considered to be details--details left to the beneficent passage of time and the "favorable" provisions of the minimum program of the alliance.

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CSO: 3521/55

## DISMISSAL OF MAKARIOS-LINE SECURITY PERSONNEL DOUBTED

Nicosia O KIRYKAS in Greek 16 Oct 82 p 1

[Excerpt] The government of the "Alliance" [AKEL-Democratic Party Cooperation] is gradually implementing an organized plan to dismiss all Makarios-line followers from the police and the security corps. Along with this program, the government has prepared a black list of higher level civil employees whom AKEL considers anti-communists. AKEL covets the vacancies to be created in the public service in order to increase its strength in the governing of the state. It should be noted that when the draft law on pensions was debated in the House of Representatives many deputies protested while the Pan-Cyprian Union of Civil Servants expressed its reluctance. Finally, the bill was approved following a promise by the government to improve it.

With regard to the plan by the government of the Alliance to fire the Makarios followers from the security corps, well-informed sources told O KIRYKAS that following the firing of Police Deputy Chief Pavlos Stokkos 2 days ago, more cadres who are known supporters of the late Ethnarch Makarios and who have outstanding anti-coup and anti-invasion service, will be replaced by supporters of the AKEL-DISY Alliance. It is worth noting that the Alliance plan has thus far achieved the following:

- a. First Lieutenant Madame Vaso Loiza, a known EOKA fighter and one of the staunchest and closest collaborators of Makarios, was transferred on 3 May 1982 from the Central Information Service [KYP] where she served for 20 years to the police department's welfare section.
- b. In August 1982, Police Chief Menelaos Stokkos was retired. He is the brother of Feidias Stokkos who was killed during the coup and a cousin of Police Deputy Chief Pavlos Stokkos who was fired 2 days ago.
- c. The unpopular transfer of police officer Mihalakis Khatzikleanthous falls within the plan's framework.

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CSO: 3521/56

## BRIEFS

USSR COMMENTS SEEN HOPEFUL--We shall not hasten to assess in advance the results of the Kyprianou visit to Moscow. We shall wait until the visit is completed before rendering judgement. In any event, we would like to point out that a thinking person could not wish failure on the visit. On the contrary, it is our hope that this trip will be useful and will have practical results in promoting the Cyprus issue. Since, moreover, this paper's comments are not based on negative views but on a policy stressing the positive aspects [of an issue] we have no reservations whatever in welcoming certain admittedly very positive comments of the Soviet News Agency Novosti which clearly, unequivocally and overtly criticizes Turkey's occupation of Cyprus. We hope that these comments which express a new position of the Soviet Union on the Cyprus question (as is known, the Soviet Union has until now avoided criticizing Turkey openly) are an indication that this country is assuming a new stance on the Cyprus question and that such attitude will also be reflected by the actions of the Soviet leadership. [Excerpt] [Nicosia O AGON in Greek 24 Oct 82 p 1] 7520

CSO: 3521/56

## HESSE SPD MANAGER ON ELECTION RESULT, GREENS' INTEGRATION

Bonn DIE NEUE GESELLSCHAFT in German Oct 82 pp 923-924

[Article by Paul Leo Giani, Hesse SPD Land party manager: "The Hesse Election"]

[Text] The outcome of the Hesse election represents a devastating defeat for the FDP in the first instance. As compared to the 1980 Bundestag election, it lost almost 70 percent of its voters. In absolute numbers, it obtained 377,000 votes in 1980 and only 106,000 votes in the 1982 Landtag election. That is a clear answer to their breach of promise to the voters of 1980.

The CDU got about the same number of votes as in the 1978 Landtag election. It had lost a few in the 1980 Bundestag election when Strauss was their candidate for chancellor. This leads us to an important conclusion: As before, the CDU managed to mobilize its voters fully but it has reached its political sound barrier in Hesse. In /no election/ has it been able to get 1.6 million votes (a figure surpassed by the SPD in 1976 and in 1980)—not even this time when Dregger was already being loudly touted as the certain winner.

In view of the poll figures over a number of weeks, there was every reason to term the SPD showing surprising or even sensational. The only explanation is that many voters who might otherwise have stayed at home decided to vote for the SPD after all as a reaction to the events in Bonn. Nonetheless, one look at the actual figures shows that the SPD lost almost 200,000 votes as against the Bundestag election. We need to look at this soberly. And for this reason, I think it is correct to say that the 26 September election did not end in a "victory" for the SPD but in a great opportunity to win back the voters who were about to drift away.

The Greens got 278,000 votes, almost three times as many as the FDP. This is no doubt an impressive showing and it indicates that many young voters in particular are pinning their hopes on this new grouping. In view of experiences in other Laender, there is no telling at this time just how these elected deputies of the Greens will choose to transform these hopes into concrete parliamentary work.



## CDU Demand for New Elections Undemocratic

Even before the board of elections had made the unofficial outcome public on election night—the voting machines had not cooled off as yet—Alfred Dregger was already calling for new elections. Both CDU secretary-general Manfred Kanther and the Land chairman designate, Walter Wallmann, seconded this call in the days that followed in the form of an ultimatum. In this form and at this time, this is performing a disservice to the parliamentary system. In essence, it comes close to a rebuff of the voters. If the voters have just made their decision, the politicians cannot simply turn around and say we do not like the outcome and we will have the voters go back to the polls until they come up with a result we do like. That would amount to standing democracy on its head.

For another thing, the outcome was not all that surprising. The polls said that more than half the population went on the assumption that the FDP would be voted out of the Landtag and the Greens would move in. As a consequence, one would also assume—and CDU representatives tend to agree in private conversation—that the result would be no different, if new elections indeed were held. And finally—perhaps most importantly from a political point of view—we cannot simply include out almost 10 percent of the voters. On the contrary: in the very interest of parliamentary democracy a very serious effort must be made to integrate the representatives of the Greens into the parliamentary system.

In that sense then, the CDU call for immediate new elections stands revealed as a transparent tactical maneuver. By issuing it, the CDU is trying to sideswipe the SPD's call for new Bundestag elections. Helmut Kohl's statements linking the new elections to the Bundestag to new elections in Hesse are a clear indication of this. It should be clear to everyone, however, that there are two different and in fact diametrically opposed sets of circumstances in operation here.

On the national level, the clear will and mandate of the voters given in 1980—in favor of a socialist-liberal coalition led by Helmut Schmidt and against Franz Josef Strauss—has been turned around with the help of a broken promise.

/For this reason/—because the will of the voters of 1980 has been falsified we have called for new elections so that the voters themselves can decide whether they want to change the 1980 mandate or not or in other words, whether they want Helmut Schmidt or Helmut Kohl to be chancellor.

In Hesse, the situation is exactly the opposite. /Here, the voters have just made their decision./ Now the politicians must try to turn that mandate into political reality. The mandate is difficult and not clear. But that does not mean one can simply return it to the voters. Of course no one can exclude the possibility of a dissolution of the Landtag and new

elections in Hesse ahead of time. The constitution expressly provides for this possibility. /But this can only be considered, if and when the attempt to turn the voters' mandate of 26 September into reality can be said to have failed./

#### Integrate Greens into Parliamentary System

Prior to the election, Alfred Dregger proposed that the democratic parties should form a coalition to counter the Greens. Wallmann's and Kanther's call for new elections is based on essentially the same thesis. Both are an insult to almost 300,000 voters. The fact that some of the Greens' leaders question the parliamentary system cannot lead us to push the entire movement and all those who voted for it out of bounds. On the contrary: it will be our job /to integrate/ the representatives of the Greens into the system of parliamentary democracy and not to exclude them. Otherwise, there would be a great danger of increased disenchantment with the present system among its adherents. Whatever motivates the Green voters individually (they may be diverse and varied in themselves), one thing is certain. The growing attraction of the Greens is due to a growing disenchantment and dissatisfaction with the procedures and policies of the party system thus far. For us, this must be viewed as a challenge.

#### Make SPD Positions Clear

What has come out thus far of the coalition talks between the CDU/CSU and the FDP makes us worry about imbalances, about attacks against the core of the social safety net (as evidenced by the Lamsdorff memorandum) and about a hardening of domestic political life. The Hesse election result constitutes a clear rejection of just such policies, among other things.

Predictions about developments in Bonn cannot be made at this time. The very question of whether there will be new elections in the spring of 1983 or not constitutes an uncertain factor for decisions by the new government. Given this situation, the SPD must make clear its own alternative positions. In this regard, the 26 September election outcome affords an opportunity and poses a challenge to the SPD. An active jobs policy; a program to fight unemployment among young people; investment programs aimed at protecting the environment; social balance as opposed to the self-centered society (public housing, protection for apartment dwellers)—these are just a few of the matters that will play a crucial role in the debate about the 1983 Land budget.

But we must be realistic: the SPD does not have a majority in the Landtag. It is a moot point therefore whether we can actually find majorities for our policies. But at the same time it is an historic opportunity to present our own social democratic views on vital issues to the public more clearly than we could under a coalition agreement. Both the CDU and the Greens have thus far sharply rejected any collaboration with us. Actual legislative work will show just how successful we can be in trying to obtain agreement on important decisions dealing with vital issues in the interest of the population of our Land.

## ROMMEL'S REELECTION SEEN AS PERSONAL VICTORY

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 9 Nov 82 p 5

[Article signed B. H.: "A Personal Victory By Rommel In Stuttgart--Votes From All Camps Despite Some Points of Contention"]

[Text] Stuttgart, 8 November—Stuttgart's Mayor Rommel has been reelected by the inhabitants of his city to his post for another 8 years on the first ballot with an overwhelming majority of 69.8 percent. While his reelection last Sunday had been expected, the 53-year old Rommel's victory was surprisingly sweeping considering the fact that barely 63 percent of the 370,000 registered voters turned out. Of his 12 opponents, the SPD candidate, Landtag delegate Maurer, 33, came out best with 25 percent of the votes. The FDP did not put up a candidate. The Greens' representative, Forestry Counsel Ehrenspiel, obtained 3.8 percent and thus trailed by about 2 percent the showing which the Greens had made during the communal and Landtag elections of 1980. The 10 remaining candidates split a mere 1.7 percent among them.

Inasmuch as the mayoral elections in Baden-Wuerttemberg represent primarily a vote for an individual, these results do not reflect the actual strength of the parties. In the 1980 Landtag elections the CDU had obtained 45 percent of the votes cast, the SPD 35 percent. In the Bundestag election of 2 years ago, the SPD even pulled ahead of the CDU with 40 percent of the votes. Last Sunday's election result was probably hardly influenced by the events in Bonn. The only thing we can say with certainty is that all the turbulence did not hurt Rommel one bit.

Rommel's extraordinary popularity is partly the result of his efforts during the past few years to do his job without regard to his party affiliation. He himself feels that his success is based on the fact that he did not engage in any kind of polemics during the election campaign. For the next 8 years he sees his main task in continuing to make Stuttgart attractive for the influx of industry. As to the tight budgetary situation, Rommel made no promises whatever to the voters. Even during the election campaign he had declared that great efforts would have to be made to retain the still high level of employment in the Baden-Wuerttemberg Land capital and to keep the social welfare system operating. Rommel is in favor of improving local public transportation and for the construction of a very controversial express highway in various parts of the city. As president of the German Association of Cities he wants to urge

Bonn to pass a law which would facilitate the collection of a tax from ineligible occupants of subsidized housing. He claims not to have any ambitions for a ministry job in Bonn. For the next 8 years he wants to stay in Stuttgart.

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CSO: 3620/84

## BERLIN AL MEMBER ON CHANCELLOR CANDIDATE VOGEL

West Berlin DIE TAGESZEITUNG in German 1 Nov 82 p 6

[Article by Manfred Rabatsch, member of the West Berlin AL Fraction: "A Bird in a Cage"]

[Text] 22 September 1981. Three of us of the Berlin AL fraction are facing Hans-Jochen Vogel across the table. Scratch pad in front of him, his face is tense, severe--indicating disagreement with us. The reason for our talk: we want to get the SPD to call a special session of the house of delegates immediately. Eight occupied houses are to be cleared of occupants in the immediate future.

Along with all other fraction members, I had spent the night in an occupied house and thereafter I had rushed to the Schoeneberg city hall to talk with Vogel. A few days earlier we had tried to convince then Interior Senator Lummer (now police and eviction senator) of the insanity of the proposed evictions, to no avail.

In this tense situation we now planned to discuss a first joint proceeding with the SPD against the Berlin CDU.

Vogel's reaction was cold, almost frigid. He didn't even want to think about the political significance of an immediate special parliamentary session on the basis of a remarkably strong solidarity movement concerning the occupied houses. And that was also probably the crux of the matter. That close connection between social movement and parliamentary decision. Vogel was not about to get himself involved into those dynamics. More was involved here than merely a fear of the SPD to get closely involved with the AL. I had the distinct feeling that he operates on the principle that politics requires closed compartments. The party, the parliament and the government--all those are closed compartments for making political decisions, at best for discussions designed to benefit one's own party.

To become involved with groups or even social movements, with political demands or only with a living set of expectations would create an open forum for political altercations. Vogel would have nothing to do with that.

On that 22 September 1981 Hans-Jochen Vogel enlightened me on just how far the SPD is removed from dealing with societal conflicts in such a manner as to make its own positions questionable.



It was just about one year later--October 1982. During a session of the House of Delegates two of us took the opportunity of talking with Vogel's fraction office. Evictions are imminent once again. Vogel had on several occasions shown interest in another "peace session" to be arranged by Mayor von Weizsaecker. We wanted to get in on this and push. Vogel is friendly, alert, has ideas on how this might be arranged. The German Labor Union Federation, the Bishop and others would have to take the initiative in influencing Weizsaecker. Vogel himself agreed that the situation was serious.

Fourteen days later, at the end of October 1982, the eviction has taken place. Vogel won't even issue a press release.

What else did you expect of Vogel and the SPD, I am asked by the AL members. Nevertheless, to me all the talk about a rapprochement between the SPD and the Greens/Alternatives means something different. The purely tactical moves of a Brandt or a Vogel appear to me to be their dogma. Their own image as a statesman-like symbol of integration which offers cooperation to anyone and which wants to gloss over confrontations faces every politically unequivocal shift against a unilateral senate position in favor of real-estate and property owners' interests, as exemplified by the socially significant conflict about the occupied houses.

Vogel tried everything in his power to make a public announcement of the basic need for taking the AL into the parliament. Vogel did not come out with a strategy for brotherhood with the SPD. Nor do I consider it to be in the cards. Until now, Vogel expected moral pressure to have its effect on the AL. In this, the emphasis lay on parliament's role as the only legitimate decisionmaking arena. As the state's power monopoly for the solution and control of societal conflicts, with the use of force by the police, if necessary, gained the upper hand, Vogel always established a firm limit to the more than tactical incorporation of ecologic, economic, social and housing policy alternatives from the spectrum of the new social movement into the Social Democrat political concept. Whenever social movements integrate themselves directly into decisionmaking levels and reinforce Green/Alternative functionaries in arguments with established parliamentary and party bodies, integrators like Vogel are mobilized by the parliamentarians. We should not be afraid to make common cause with the SPD.

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CSO: 3620/84

## BREAKDOWN OF BERLIN SENAT, SQUATTER NEGOTIATIONS REPORTED

Zurich NEUE ZUERCHER ZEITUNG in German 13 Nov 82 p 2

[Text] Berlin, 11 Nov--The efforts of the Berlin Senat to bring about contractual agreements by negotiation between owners and squatters for some of the occupied houses have come to nought for the moment. The discussions, which have lasted for months, between representatives of the union-affiliated building society "Neue Heimat" on the conclusion of user contracts for 26 occupied houses have broken down after the Senat refused to agree to a contract which finally covered only two houses, which the police had emptied in the meantime.

## Failure of Negotiations

It was not only the preferential conditions which were to be granted to the squatters, according to the contract, that were unacceptable to the Senat; it turned out that the squatters, who were conducting negotiations with the "Neue Heimat" as the "Association for the Promotion of Self-Administered Living," were not in a position to conclude the legal affairs, since the association is not listed in the register of associations.

The attempt to tolerate a breach of the law (squatting) tacitly through a negotiated settlement is as much a part of the Berlin Senat's policy toward the squatters as that of clearing occupied houses in accordance with the principles of the so-called Berlin Line, which says that eviction by the police is required if there is an eviction request from a house owner who is in possession of a construction permit and who can prove that financing has been approved.

Occupied houses are also being cleared if criminal felonies are being committed by the squatters which endanger public safety. Some occupied houses in Berlin which, in the words of Senator for Internal Affairs Lummer, had turned into "refuges for criminals," have recently been cleared on the grounds that they represented a danger to public safety.

## Dual Strategy

Although the lines between the squatters and the Senat have hardened again as a result of the failure of the negotiations, the CDU-led city government can demonstrate substantial successes against the squatters using its dual strategy--willingness to negotiate while simultaneously threatening to clear the houses. The number

of occupied houses, which was 169 when Richard von Weizsaecker assumed office, has now dropped to 110. This decline can also be attributed to the fact that the Senat under Weizsaecker's leadership, in contrast to the SPD-FDP coalition led by SPD politician Vogel, has consistently enforced the "Berlin Line" in house-squatting policy, by immediately clearing newly occupied houses.

The Senat's dual strategy has also led to considerable insecurity and an unmistakable division in the squatters' scene. Today Berlin squatters are factually split into two camps. Besides the hard core which rejects any negotiation with the "pig Senat," there are many squatters, faced with the constant threat of eviction, who are striving for an agreeable solution with the owners and with the approval of the Senat.

As a result of the dual strategy, the impression has arisen among the public that there are differences within the Senat--between Senator for Internal Affairs Lummer and Senator for Housing Rastemborski--concerning the policy on squatters. The explanation given by the Senat is that complete agreement exists between Lummer and Rastemborski on the political plan in the squatter question.

#### Crumbling Unification

Whether the failure of negotiations concerning user contracts for 26 occupied houses will lead to unification and a renewed escalation of violence cannot be predicted yet. Evictions from some occupied houses in October brought renewed violence, as in the case of previous evictions. But participation in the demonstrations against the evictions was comparatively small. This time it was not more than 1,500, while shortly after the CDU Senat assumed office up to 10,000 demonstrators took to the streets on similar occasions. According to the estimate of Senat circles, this could be an indication that it is no longer possible to mobilize the squatter scene and its following in the same degree as before.

However, the criminal potential inside the squatter scene remains considerable. In a speech to members of the Berlin police, Senator for Internal Affairs Lummer said that 89 percent of the squatters had come to their notice with 6,400 offences, from disturbing the peace to attempted murder.

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## STALINIST ORGAN ASKS SINISALO ON VIEWS OF CP, CABINET CRISIS

Helsinki TIEDONANTAJA in Finnish 5 Nov 82 p 5

[Interview with Taisto Sinisalo by TIEDONANTAJA; "Sinisalo: SKP Is Not 'About to Blow Up'; Dissatisfaction Should Be Directed Against the Right"; date and place not specified]

[Text] "The SKP [Finnish Communist Party] is on the verge of blowing up," the Social Democrats boast.

"A new internal struggle platform from the Stalinists," KANSAN TAHTO maintains.

"Moderate positions wavering, Stalinists uniting. Grips tightening within the SKP," HELSINGIN SANOMAT headlines. What is happening, we asked Taisto Sinisalo.

[Question] The fuss has been particularly over the vote taken at the recent SKP Central Committee meeting and the protest entered in the minutes, which Taisto Sinisalo was the first to sign. Was this protest "a new internal struggle platform"?

[Answer] It was a protest against current policy and the way things are governed, the errors of which have become more apparent than before in connection with the decisions regarding devaluation. They have given rise to dissatisfaction inside all the parties — and outside them too. In order to concentrate, encourage and direct the dissatisfaction with big capital and the Right that has become evident in different ways, we called for Stalinization of SKP policy.

It is a question of a more radical clash than before between workers and the bourgeoisie, not only an internal struggle within the worker movement.

The devaluation package involves not only a continuation of earlier government activity, but also the fact that it is producing an economic policy line that is more rightist, even Reagan-like, than before. Accordingly, a "stabilization" aimed at substantially lowering real wages is already being worked out. Similarly, we are being subjected to new arms procurement plans, sales tax increases and scrapping of the foundations of social security funding.

For the social security system alone, there is already a funding deficit of at least 3.5 billion marks for next year.

## Merely Methodological Differences?

[Question] It has been said that differences of opinion in various matters have to do merely with the way of handling them in the SKP.

[Answer] Why should ways of doing things have a determining influence on even a government crisis unless form and content go hand in hand?

If these decisions are regarded as merely "methodological issues," we may with reason ask whether there are in general any conditions under which the SKP should participate in the government of a bourgeois state.

The government's budget proposal was palmed off on us with the bait that the supplementary budget would implement Kajanoja's employment program.

Supplementary budget measures for economizing on government expenditures will probably cost several tens of millions more than those aimed at employment.

## It Has Come to This

[Question] An approximately 6-to-8-billion-mark transfer of funds from the domestic economy was promised as a bonus in the social welfare package out of the conspicuous devaluation package. Now the government is preparing a 150-to-300-million-mark unfavorable social welfare package, in connection with which a far greater reduction in social security funding would be decided on. On top of everything else, with the same package they are selling nominal wage increases just before Christmas of from 1 to 2 percent, while price hikes will be measured in terms of two-digit figures.

[Answer] The talk about "a compromise in the way of handling things" has switched to open support for an erroneous policy. KANSAN UUTISET is even advocating the bigger sales tax increases proposed through the mouths of Kempainen and Pursiainen. Thus even shifting the center of gravity of taxation, which has been sharply condemned by the Central Committee, toward consumers is not unfavorable enough in terms of the social welfare program for the "tax lovers"! Instead, they do not even mention the fact among themselves that they are contemplating having the workers pay for it.

One indication of just how far "methodological compromises" have led us is the fact that, at least so far, the SAK has not even proposed an opposition stance to the increase in the sales tax.

## Government Issue

These issues cannot be separated from one another either. Participation in the government has led to an accounting, what is more, to the promotion of an erroneous policy outside the government as well, as KANSAN UUTISET's demands for sales tax hikes demonstrate. Somerto, the head of the Employers Association, indicated this to be the case when he asserted that "SKDL [Finnish People's Democratic League] ministers have influence in the funding" of the public sector, the labor market among other things.



The chairman of the SKDL has defended participation in the government by threatening us with the idea that otherwise the Conservative Party would get into the government. I don't know how he arrived at such a conclusion. In connection with the recent government crisis, the SDP [Social Democratic Party] and the center parties merely proposed increasing the number of their own representatives as an actual alternative. Besides, one would think that the experience has already demonstrated that the advance of the Conservative Party has not been stopped, at least not by our participation in the government.

Worthy of note is SUOMEN KIVALEHTI's assessment of the SKDL chairman's reasons for participating in the government: "For Kalevi Kivisto this pulling-on-one-rope policy is both an ideal state of affairs and power politics. As long as the SKDL remains in the government the socialists' power status will be preserved in the SKDL. The price of this will indeed be a constant decline in Communist support, but that again is Jouko Kajanoja's role."

#### New Majority Faction?

[Question] In the Central Committee Jouko Kajanoja has asserted that the moderates support a reassessment of the government issue. KANSAN UUTISET in particular feels the need for considering the matter. Has a "new majority faction" been formed in the SKP?

[Answer] It is actually very funny that those who were still recently loudly condemning the party split are now worried that something might begin to happen with respect to it. KANSAN UUTISET feels that it is its duty to show that the party split exists and will continue to do so, that the ranks of at least one faction are again aligned.

Everyone certainly feels that a new one is appearing. The government policy crisis, party credibility and the catastrophic decline in activity force us to make new appraisals. You don't take a stand on factions as you would on party policy.

Most of the party members, the majority of the district organizations and the Central Committee, feel that the time has come to make a reappraisal of the party's participation in the government.

Entering the protest in the minutes of the Central Committee meeting expressed the fact that the majority of the Central Committee are not yet capable of or courageous enough to draw the necessary political and functional conclusions, although they did reject the proposal to approve the agreement between Sorsa and Kivisto that came from first secretary Aalto's pen.

We have to take note of the fact that, boasting of "party publicity" for its own needs, KANSAN TAHTO would not grant others the right to even express a position that deviates from government policy.

#### Action Program

[Question] The protest has also been interpreted as a "Stalinist action program" because it calls on party members.

[Answer] I would encourage everyone to first read our protest, which appeared in last Tuesday's TIEDONANTAJA, and think about what is proposed in it.

It is an action program, but not for some faction, rather for the whole party, to save it by means of a joint appraisal, conclusions and action.

Doesn't labeling tell us more about the labelers themselves, their fear of members' engaging in frank and honest discussion and united action? Whenever a policy begins to give rise to widespread dissatisfaction among party members, they seem to consciously create actions that make our party's internal state of affairs more acute.

Anyone who has served in any party section is well aware that there is not unlimited time for drawing conclusions. The will of the members must now be allowed to emerge, we must get the party to act. That is why we urged them: "Don't submit to letting others decide on matters for you, don't let anyone walk over you, make use of your rights as members of the party. Now is not the time for waiting for solutions to come from above or for withdrawing into oneself, but for taking matters into one's own hands."

The very different election results experienced by the Greek and Spanish parties speak for the fact that we depend to a great extent on our policy. Have we, for example, done everything we can to oppose the lowering of people's standard of living in order to spread the mass movement? Now, we can with small actions as well do a great deal on the basis of the SKP's main policy line to change the direction our policy is moving in in the struggle that is going on. In doing this we will also find our most important means of preparing for the elections.

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## POST-KEKKONEN VACUUM IN FOREIGN AFFAIRS STIMULATES STRUGGLE

Helsinki HELSINGIN SANOMAT in Finnish 6 Nov 82 p 21

[Article by Erkki Pennanen, Janne Virkkunen and Matti Klemola: "Foreign Policy Cries and Whispers"]

[Text] The change of presidents has destroyed the president-foreign affairs minister axis of the Kekkonen era. When he became prime minister, the country's most experienced foreign policy man, Kalevi Sorsa, easily turned the axis into a triangle when inexperienced Par Stenback was engineered into the post of minister of foreign affairs.

But Parliament speaker Johannes Virolainen, who is trying to patch up his reputation as a poor foreign policy man, cropped up as a joker in the foreign policy card game.

In the Ministry of Foreign Affairs they are now dividing up the estate between the Center Party (KEPU) and the Social Democrats.

No changes are taking place in Finland's foreign policy line, but there may be changes in the ways foreign policy is handled and in the atmosphere of debate. The recent controversy over Arafat and speaker Johannes Virolainen's headstrong visit to Poland are not the only signs of a new atmosphere in keeping with "parliamentary characteristics."

During Urho Kekkonen's term as president, which lasted altogether 25 years, the people of Finland learned and got used to the fact that the country's foreign policy was in the hands of one man. Without Kekkonen or Kekkonen's name, no one dared to speak out loudly on foreign policy issues at any level at all. Any potential dissidents were crowded into a corner or hauled off to be tied to the stake of national disgrace.

The new president's first item of business was to make it as clear as possible that no changes would take place in the country's foreign policy line during his term in office.

In his opinion, a totally different matter is the fact that we should be able to develop foreign policy debate "on a level that is well in keeping with the country's parliamentary characteristics." This also includes "engaging in

civilized debate" without questioning Finnish democracy and its ability to function, as Mauno Koivisto put it.

Over the past few months and weeks the people of Finland have had an opportunity to observe that, despite all attempts to assure them that just the opposite is the case, there have been pressures on Koivisto to shape a policy line from different quarters, the parties, individual politicians and academic debaters as well as among ordinary citizens.

#### Sorsa and Stenback

The Arafat controversy, that is, the dispute over inviting PLO chairman Yasser Arafat to visit in Finland, was in itself an unfortunate accident which gave rise to public outcry without there having been any major differences of opinion on the main issue itself. However, it brought to light a deeper controversy of a kind which would hardly have arisen in Kekkonen's time.

In the final analysis, the issue was whether Prime Minister Kalevi Sorsa, who is experienced in foreign affairs, could without further ado walk over Foreign Affairs Minister Par Stenback, who is inexperienced and functioning without the support of a major party.

Sorsa, who had worked on getting Arafat to Finland through the speaker of Parliament, took care of the invitation as a matter deferred to the government's Foreign Affairs Committee and elsewhere with the president without bothering to bring the foreign affairs minister into it at all. Stenback, who has shown himself to be very eager in the role of foreign affairs minister but very big-mouthed in the opinion of professionals, did not, however, agree to just submit to Sorsa's indifference, instead making of the affair, with the backing of his ministry officials, a big public issue and using particularly undiplomatic language to do so.

We might have expected the Kekkonen-era president-Foreign Affairs Ministry axis to change into a triangle when Sorsa, the country's most experienced foreign policy statesman, rose to the position of prime minister and the very inexperienced Stenback minister of foreign affairs when Koivisto took office.

#### Virolainen

At that point it was, however, not yet anticipated that Johannes Virolainen would try to become the figure playing the fourth most important role in foreign policy by taking advantage of his position as speaker of Parliament and above all as president of the IPU. Virolainen got saddled with the blame for the Arafat controversy largely without stumbling into the situation himself. The same cannot be said of his visit to Poland, which has been under martial law for over 10 months, where he was treated almost like the chief of state of Finland.

The Ministry of Foreign Affairs only got wind of the visit via the television news and its admonitions did not stop the speaker from announcing himself to be the promulgator of a personal detente policy. "Foreign Affairs Ministry



officials presented their arguments and I mine," Virolainen later explained his trip simply. Diplomatic indisposition would have been unthinkable [as an excuse] for a healthy man.

And since Virolainen was getting ready to head the group of parliamentary delegation chairmen leaving to visit the Soviet Union, he planned to have a communique in Russian drafted by his own aides for all contingencies. At the Ministry of Foreign Affairs they were dumbfounded when they found out about the speaker's venture only a few weeks before Chairman of the Council of Ministers Nikolay Tikhonov's official visit.

#### Koivisto

The people and politicians too, used to being subjected to the strict discipline of the Kekkonen era, were astonished by this. In connection with the Arafat controversy, many of them sighed wistfully over the fact that the likes of this could not have happened in the old man's time. In their opinion, letters sent to each of the parties to shake them up would have been in order.

Koivisto, however, remained silent. No messengers, so familiar a sight in Kekkonen's time, were sent to inform them either what the president might have thought of all this. During the first half year of his term in office the president has managed to isolate himself so completely behind the protective wall of his office staff that one has to resort to the earliest reaction models when guessing his thoughts.

Perhaps Koivisto's rejoinder at the SDP [Social Democratic Party] congress in the spring of 1981 when the KEPU was persistently inquiring about the stability of the government may serve as a valid example of this: "When you're really provoking someone, you have to try to be unprovokable yourself."

The president has tried to stick to his promise to encourage parliamentary characteristics in the exercise of foreign policy. By these, however, he probably meant the strengthening of the role of the government and parliamentary foreign affairs committees rather than that of the speaker of Parliament.

At a press conference organized at the end of a visit to Iceland, Koivisto consented to take enough of a stand to assert that the duties of the speaker of Parliament and the IPU president apparently impose expectations that differ from one another. Koivisto said that this is why we would have to quite seriously inform ourselves as to what extent such potential conflict situations might be avoided in future.

The speaker of Parliament has no foreign policy role in state protocol. Koivisto expressed this as clearly as was possible without touching upon the affairs of the chief state organ.

Koivisto's words, however, have not yet silenced those who see things from a different angle. Heini Mankki, the chief editor of the KEPU organ, SUOMENMAA, was so bold as to conspicuously remind us in his column that "neither the



president of the republic nor the government nor the Ministry of Foreign Affairs may set any limits to the activities of the president of the IPU."

"There is good reason for us in Finland to realize that the speaker of Parliament now has an important international role, in which capacity he makes an effort to influence the development of world affairs," Mankki said, obviously reflecting Virolainen's thoughts.

Virolainen himself has said that he wants to make Parliament's role in foreign policy more active. If he is referring to the Foreign Affairs Committee, he may obtain broader support, although a previous attempt in Pekka Kuusi's time during the second half of the 1960's ended badly. The speaker does not, however, represent the Foreign Affairs Committee, so that Virolainen's role does not really fit within that framework.

The result of Virolainen's industrious international efforts will be measured after the parliamentary elections in March. At that time we will see whether his list of foreign policy transgressions is in Parliament judged to be so long that he is no longer fit to serve as speaker of Finland's Parliament side by side with his role in world affairs.

As contradictory as it may sound, Johannes Virolainen right now occupies the most important position any KEPU politician holds. He himself also knows it and is with all his might striving to break loose from the curse of the cold of night and the foreign policy ban of the Kekkonen era.

When Virolainen felt that he had been driven into a corner after the trip to Poland, he tried to withdraw to safety behind the back of the KEPU. According to Virolainen, the criticism that was directed against him was actually aimed at the KEPU, which others want to finally oust from its foreign policy positions. The negative public notice that has been directed against Ahti Karjalainen and chairman Paavo Vayrynen in Virolainen's opinion in reality involves the same issue.

In Kekkonen's time the KEPU held sovereign sway over the Ministry of Foreign Affairs. The upper hand it possessed was so strong that officials striving to get ahead had to telegraph the ministry when they joined the KEPU.

Ahti Karjalainen was foreign affairs minister for over 10 years, Vayrynen almost 5 and the same was the case with Kekkonen's last foreign affairs minister. Despite the temptation of Virolainen's witch-hunting explanation of the situation, Vayrynen did not want to publicly associate himself with it and was otherwise cautious about setting out on Virolainen's foreign policy sled. He considered opportunities for getting back into the foreign policy limelight on his own.

All things considered, the KEPU seems to be badly adrift in the search for its own foreign policy image. While Virolainen's explanations were probably not taken literally, when Kekkonen was replaced by Koivisto, the Social Democrats began to destroy KEPU positions, the first of which to be hit was precisely Vayrynen's, Vayrynen who was smoked out of the leadership of the Ministry of Foreign Affairs.

## Social Democrats

Since the Social Democrats could not assume both the prime minister's and the foreign affairs minister's portfolios, they went and got a foreign affairs minister from the RKP [Swedish People's Party]. The most competent, that is, RKP presidential candidate Jan-Magnus Jansson, probably would have proven to be too strong and independent a figure as the new president's foreign affairs minister, which opened the way to Stenback, who had acquired experience in the Foreign Affairs Committee.

The president's closest foreign policy advisor is, however, Social Democrat researcher Jaakko Kalela, who had earlier been hired by Kekkonen. Kalela, who helped write Kekkonen's foreign policy speeches, best represents a continuation of his foreign policy line and is at the same time the president's direct link with the SDP.

The Social Democrats' foreign policy specific gravity has greatly increased recently, a fact also recognized in Moscow, as the welcome the SDP delegation has just received demonstrates. Talk of a Social Democrat takeover inside the Ministry of Foreign Affairs as, however, premature. For the time being at least, it appears to be enough for the Social Democrats that the KEPU is losing its controlling position in the ministry.

In connection with the big shift of power and the normal course of business, the political leadership of the Ministry of Foreign Affairs has been manned anew. Kekkonen's right hand, Keijo Korhonen (KEPU) has been transferred from his post as political undersecretary of state to ambassador to the United Nations in New York. Prof Klaus Tornudd will assume his post in February and CSCE specialist Richard Muller has been appointed as head of the Political Department; both are politically independent professionals. For the time being Matti Tuovinen (KEPU) is still staying on as secretary of state.

Kekkonen often handled matters directly with Korhonen, bypassing the foreign affairs minister, who thus became more of a ministry head than a policy maker. During the Koivisto administration Korhonen's role will probably shift more and more to Kalela. It is too soon to say what position the foreign affairs minister will really occupy.

In connection with the recent noisy incidents, Koivisto has stood behind Stenback. It would, however, appear to be rash to jump to the conclusion that Stenback is an important person for the president. Perhaps behind it we can rather see Koivisto's desire to shore up the position of the Ministry of Foreign Affairs and its professional officials in their job of handling foreign policy at the expense of the politicians.

During the Kekkonen era the exercise of foreign policy sharply declined. Politicians and officials adhered closely to the official liturgy and not even at the academic level was there a desire for anything to come out of foreign policy debate. While such debate was not officially prohibited, as charter members of the Paasikivi Society tried to argue it should have been, the atmosphere was definitely not favorable for engaging in such debate.

Indirectly they also admit this in the Paasikivi Society, which last Monday organized a discussion of an experimental nature — as the event was billed — of the most important Finnish foreign policy problems. Several of the discussants agreed that we cannot go on engaging in the "civilized" foreign policy debate proclaimed by Koivisto either. We do not have any practice in it.

Just think of, say, that favorite subject of Finnish foreign policy debate, the Nordic nuclear-weapon-free zone, the establishment of which over 90 percent of all Finns support, according to the opinion polls.

In the other Nordic countries, where there is much less support for it, there has, nevertheless, been lively debate over the proposal in parliaments, daily newspapers and other forums. Not so with us. This is why we do not know anything at all about the project's real content and its problems — right down to our parliamentary representatives.

Unlike the parliaments of other countries, in the Finnish Parliament not even once a year has been set aside for foreign policy debate, nor in the opinion of many do they feel it to be at all necessary. You can talk about foreign policy — if you want to — in connection with the national income and expenditures budget proposal.

Almost the only people who discuss foreign policy in the daily newspapers are EVA [expansion unknown] general manager Max Jakobson, Social Democrat Prof Osmo Apunen, another professor and chief editor of HUFVUDSTADSBLADET Jan-Magnus Jansson, and maybe SKDL [Finnish People's Democratic League] first secretary Jorma Hentila still does.

#### Dissidents

However, the only real dissidents on foreign policy are limited to strictly academic circles. Among these rarities are Carl-Gustaf Lilius and Prof Dag Anckar, who keeps on proposing annulment of the YYA [Friendship, Cooperation and Mutual Assistance Pact], both of whom appear in the columns of the Swedish-language FINSK TIDSKRIFT. The Stalinists, who would like to transfer Finland entirely to the status of a Soviet border district, must probably be regarded as special sorts of dissidents.

Paasikivi Society chairman Jansson, in whose opinion it is time to switch to a system of scattered concentration in foreign policy decision-making in Finland, represents the highest academic level of "civilized" foreign policy debate. While this is in part inevitably happening through a process of trial and error, Jansson feels that such a development is necessary and that Finns are ripe enough for it.

Not everyone, however, agrees that there is much time at all for learning how to practice foreign policy by a process of trial and error in a country like Finland. We encounter the limit at the latest at the point when credibility in our foreign policy line and decision-making begin to be put to the test in the eyes of the outside world.

In Reykjavik Koivisto himself preferred to look at things in such a way that, even if conflicts and differences of opinion arise, we should not start to draw conclusions too soon about the defects of the system or go too far down a path that has shown itself to be a risky one. In this respect he is, at least at the outset, more patient than his predecessor, but the times are different too.

"If we are always engaged in lively debate, it is only a matter of time before they begin to doubt the changes or that the debate is leading anywhere," a foreign policy expert thus expressed his concern and pointed particularly in the direction of Moscow.

In the Soviet Union it is probably harder than elsewhere to understand why they want to discuss the policy line in Finland when it cannot be changed anyway. The arising of different kinds of speculation cannot presumably be in the interest of the country.

Soviet diplomats showed certain signs of nervousness too last summer when representatives of a couple of Western newspapers were in Finland to observe changes in the atmosphere and areas to be emphasized in foreign policy. Later they realized that their fears were unfounded. The welcome Sorsa recently received in Moscow and his statements in connection with that visit confirm the fact that right now everything is for the best.

At those Western embassies which have no established channels to foreign policy leaders, like the Tehtaankatu embassy [Soviet Embassy] does, they, nevertheless, had to wonder at the lack of coordination in foreign policy in connection with the Arafat controversy and Virolainen's visit to Poland and to ask in which department foreign policy decision-making actually takes place. No one feels that signs of changes may be visible in the course of our foreign policy.

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## CRITICISMS OF VIROLAINEN NOT DIRECTED AGAINST CENTER PARTY

Helsinki UUSI SUOMI in Finnish 30 Oct 82 p 2

[Editorial: "Center Party, Conservative Party and Social Democratic Party"]

[Text] Speaker of Parliament Johannes Virolainen has interpreted recent criticism of his actions as an attack on the entire Center Party. This judgment is slightly complacent, but it is certainly worth considering whether there might be a grain of truth in Virolainen's words.

The speaker's trips and the positions he has assumed have so far probably not been interpreted as the doings of the Center Party. Therefore, Virolainen exaggerated in Keski-Suomi when he claimed that they were afraid that the Center Party (KEPU) could somewhat influence world affairs too through the speaker of Parliament. Outside the KEPU there has been the firm conviction that Virolainen in no way especially represents the party's foreign policy. Discussion within the KEPU and the turmoil of the presidential election period have given us this impression.

But Virolainen is quite right about the fact that the KEPU is being put down in different ways. In a way inherited from past years, the party itself regards the Conservative Party as its opponent. Thinking in terms of its old attitude, the KEPU feels that the Conservative Party is a big threat as a competitor.

These past few months the Conservative Party has indeed repaid the KEPU a bunch of old scores, but it scarcely wants to threaten the KEPU's actual positions. On the other hand, it is constantly necessary for the Social Democrats to see to it that Vayrynen, Virolainen and their pals do not acquire important positions. That is why the eagerness with which the KEPU is currying favor with the SDP [Social Democratic Party] is a bit strange.

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## CONSERVATIVE PAPER COMMENTS ON BODSTROM'S 'ZONE' INITIATIVE

Helsinki UUSI SUOMI in Finnish 2 Nov 82 p 2

[Editorial: "Sweden's Turn to Confess"]

[Text] Sweden's new government has decided to determine its neighbors current views on a Nordic country nuclear-weapon-free zone and after that, if possible, apparently expand discussions concerning a European nuclear-free zone through the intermediary of military alliances. Sweden's new minister of foreign affairs, Lennart Bodstrom, is arriving today, Tuesday, in Helsinki, the first stop on his tour of the Nordic countries.

The initiative that has arisen in Stockholm is a good and welcome one. Without a doubt, most of the energy expended in November will go into the reviewing of established attitudes, but new ideas will now have remained illusions since there have been changes of government and leaders in three Nordic countries since the matter was last seriously considered. It is in itself quite natural that Sweden's new government, which has made an effort to energetically air other matters as well, should also get moving on the nuclear-free zone.

The new Swedish Government itself apparently has a slightly different attitude toward the zone than its predecessor. In Stockholm during the Falldin administration it took shape in such a way as to include the entire Baltic in the zone and elsewhere they wanted to tie the zone into a bigger European arrangement regarding which they expected negotiations in Geneva on Euromissiles between the two big powers.

The Palme government wants to perform more actively than its predecessor. It is obviously getting closer to Kekkonen's concept of the borders of the zone as being congruent with the geographical borders of the Nordic countries. Tying the fate of the zone to the results of the Geneva negotiations may also smack of being too passive in the opinion of the Palme government. In practice this would mean open surrender of their power to negotiate with the big powers on a matter involving their own security.

The new round of confessions with regard to the zone is also appropriate because it has been demonstrated that nuclear weapons are now a regular part of the equipment of the combat troops of the big powers. This was revealed off the south coast of Sweden where, on the basis of measurements, it was confirmed

that the Soviet submarine that had run aground was equipped with nuclear mines or other nuclear explosive devices. This was also reported in the news from Washington last week. According to these reports, American troops to be sent to Norway in the event of a crisis situation would without exception also be equipped with nuclear weapons.

Thus in November it will be possible to obtain official positions on the zone from all five of the Nordic countries, including Iceland. Up to now the zone has been regularly discussed at foreign affairs ministers conferences, whose restrained communiques have, nevertheless, mainly indicated the distance between viewpoints. This time we may even begin to conjecture as to whether Sweden is, for example, seeking the role of active mediator.

Of course, the claim made by the Soviet Union last year that it would be ready to adopt certain measures in its own territory to be restricted by a zone still requires clarification as well. This carrot on a stick is still nothing but a guessing game. The Nordic countries would have to be able to explain to their satisfaction what the Soviet Union meant by this or whether it meant anything at all.

So what the Swedish foreign affairs minister will end up with on his tour would seem to be a Finnish-Swedish minizone in terms of size, at least to start with. A couple of years ago in Sweden, Nobel Peace Prize winner Alva Myrdal proposed that each country unilaterally declare its nuclear-weapon-free objective. In Finland there have been arguments pro and con, but perhaps most clearly with the proviso that specific guarantees be required of the big powers. These conditions still appear to be in force. Guarantees by the big powers are unfortunately the only means of making the zone credible.

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## CP ORGAN REPORTS CHAIRMAN'S APPEAL FOR END TO PARTY FEUDING

Helsinki KANSAN UUTISET in Finnish 30 Oct 82 pp 1,5

[Article: "Jouko Kajanoja Makes an Appeal: Internal Struggle Should Not Be Intensified"]

[Text] "We should not now again entrench ourselves in the positions of our internal struggle," SKP [Finnish Communist Party] chairman Jouko Kajanoja says. He sees the danger of this occurring particularly in the process of preparing for the parliamentary elections.

Kajanoja considered the appeal "to save the party" published by certain members of the Central Committee in TIEDONANTAJA, among others, as a sign of the intensification of the party's internal struggle. In this appeal they tried to open the way to a separate election campaign.

Kajanoja appealed to party members and said that no responsible Communist should now stir up the internal struggle as a main issue. He said that at the basic level of the party the main tendency has at any rate been moving in the direction of unity.

Kajanoja feels that the stand to be taken on the devaluation package and next year's budget has been fully discussed in our party's governing organs. The decisions are clear and they offer no reason at all for acting in disunited fashion in Parliament. Kajanoja feels that it would be deplorable if the parliamentary delegation should split during the debate in Parliament.

In Kajanoja's opinion, the vote taken at the last Central Committee meeting, during which his motion was defeated, does not mean that the party has formed a new majority. It does demonstrate that some of those who backed the winning motion — dyed-in-the-wool Stalinists — nevertheless, left their differing opinion to a resolution.

Kajanoja asserted that there were three different views at the last Central Committee meeting. Some were of the opinion that the party should leave the government at once. Some were of the opinion that earlier resolutions should be supported and that the fact that the motion was passed meant that in the party districts they were satisfied with the decisions that had been made earlier.

Kajanoja feels that it is not a bad thing for different views to be presented at Central Committee meetings. Naturally, an effort should be made to shape these differing opinions into a common Central Committee position. It would not be progress for the Central Committee to form three factions. Kajanoja maintained that progress requires that there be no factions at all.

#### Political Effort

Kajanoja urged them to launch an active political effort now. The wage agreement battle and preparations for the elections are the most important jobs ahead. In the wage agreement negotiations they must obtain a reduction in the work week, protection of real wages and bigger average raises in the low wage sectors.

Kajanoja said that the election effort now requires a readiness to take the initiative and very ordinary, everyday chores to implement these initiatives.

The reduction in the number of SKP workers is in no way connected with recent events. The decision to reduce their number had already been made at the previous Central Committee meeting in consideration of the economy to be gained by doing so. In Kajanoja's opinion, in connection with this matter it is wrong to raise personal issues as a weapon in the internal struggle. There are no reasons for doing so.

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## VAYRYNEN, OLILLA PROPOSE A NORTH CAPE NUCLEAR-FREE ZONE

Helsinki HELSINGIN SANOMAT ~~in~~ Finnish 8 Nov 82 p 6

[Text] The core of a Nordic nuclear-free zone could at first be the Nordic Arctic. This proposal was included in a speech by Center Party (KEPU) chairman Paavo Vayrynen which he gave at the KEPU All Saints' Day celebration in Salo on Saturday.

"Right from the start, the zone should extend as far south as possible," Vayrynen emphasized in presenting the gradual establishment of a nuclear-free zone.

In terms of Vayrynen's proposal, the Baltic would become a part of the zone only at some later point in time. Vayrynen stressed the fact that the minizone he was proposing is in accord with President Urho Kekkonen's plan. The only difference is that Vayrynen's nuclear-free Nordic area would be created in two stages.

Vayrynen said that the northern parts of Finland, Sweden and Norway would belong to the zone. According to Vayrynen, arrangements affecting Soviet territory should also be implemented.

The approval by agreement of the nuclear-weapon-free status of the region including the Nordic Arctic and the Nordic area directly adjacent to it would realize a significant portion of the original objective of the zone plan. While the importance of a zone that only covers a part of the Nordic area is naturally less than that of a more extensive alternative, this sort of arrangement would also have a noticeably confidence-inspiring effect on the entire Nordic area. Achieving agreement would be facilitated by at first leaving a particularly sensitive area of the Baltic out of the zone when thinking of negotiations."

Vayrynen particularly criticized the idea, strongly proposed in Sweden, of forming a nuclear-free minizone between Finland and Sweden.

It would not, in Vayrynen's opinion, be of any great importance since Finland and Sweden have already committed themselves to the maintenance of nuclear-free status. Vayrynen feared that this kind of minizone might even put a stop to the development toward the ultimate goal, nuclear-free status for the entire Nordic area.



Commerce and Industry Minister Esko Olilla has proposed that Finland, on its own initiative and even unilaterally setting a good example for its neighbors, should begin to eliminate trade barriers in Northern Finland.

Olilla rejected the notion that Finland ought to begin to put a stop to "grease trips" to Sweden. "If we go the route of restrictions, we will easily fall into the vicious cycle of ever stiffening measures and in the final analysis it is the border area residents who suffer most from restrictions," Olilla said at the All Saints' Day celebration in Tornio.

Olilla proposed that representatives from Lappi, Norrbotten and Ruija meet to negotiate jointly for freer border trade.

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## FOREIGN POLICY EXPERTS COOL TOWARD VAYRYNEN NORTH CAPE 'ZONE'

Helsinki HELSINGIN SANOMAT in Finnish 9 Nov 82 p 10

[Text] Center Party chairman and former Foreign Affairs Minister Paavo Vayrynen's proposal that the creation of a nuclear-free zone be initiated on the basis of a reduced Nordic Arctic zone has given rise to particularly reserved first reactions among experts.

At the end of the week Vayrynen proposed that the establishment of the nuclear-free zone outlined by Kekkonen could be initiated on the basis of a reduced Nordic Arctic zone to get around the knotty problem of incorporating the Baltic area. The northern parts of Finland, Sweden and Norway would belong to the zone and it would also call for arrangements involving Soviet territory.

In the opinion of Foreign Policy Institute director Kari Mottola, the proposal does not eliminate those basic problems because of which the NATO countries, including Norway, have opposed a Nordic nuclear-free zone.

Mottola feels that Vayrynen's proposal is one-sided inasmuch as it is still aimed only at the West's nuclear weapon policy, not the Soviet Union's.

It would also create new problems.

Dividing any group of countries up so that some of them belong to some zone and some do not is very problematic just from the standpoint of locating nuclear weapons and still more so when one sets about getting guarantees for such a zone. We would easily get into a situation in which nuclear weapons might be directed against some of the countries yet not against the others.

In Mottola's opinion, it would seem to be more productive to try to increase Nordic Arctic security through restrictions on the use of conventional weapons.

Kekkonen proposed a border agreement between Finland and Norway as early as 1965 and later too there has been talk of action to increase trust between Norway and the Soviet Union.

At first reading, former UN Ambassador Max Jakobson feels that Vayrynen's proposal is very artificial. It is hard to imagine that such an area could be separated from the rest of the Nordic area and a special status obtained for it.

Jakobson emphasized the fact that different factions have later tried to extend Kekkonen's original plan to include areas other than the four Nordic countries. "Vayrynen is again trying to slice up the proposal. It seems to me that neither of these paths will lead to any results."

According to Jakobson, Kekkonen's plan aimed at isolating the Nordic countries and getting them to repudiate the big powers' nuclear arms strategy and preparations in connection with it. At that time there was no question of in one way or another bringing areas outside of the Nordic area into the zone, as was later the case and seems to be the case with Vayrynen's proposal as well.

Jakobson said that bringing the big powers into the negotiations process in one way or another has made the plan so difficult to carry out that it cannot be regarded as realistic at all given these prospects. The plan has become a part of big power politics.

In the Ministry of Foreign Affairs they do not want to assume a position on the details of Vayrynen's proposal because Finland's policy is that all positions on the details of the zone plan and on partial issues be reserved for the negotiations themselves. Stating them beforehand would not help to bring about the negotiations.

Jaakko Blomberg, the head of the Auxiliary Division of the Foreign Affairs Ministry Political Department, regards Vayrynen's proposal as a positive one if it can further productive discussion and get people to act on the overall issue. According to him, this overall issue is a nuclear-free zone that will cover the whole Nordic area, which Vayrynen also views as the goal.

Then too, whether the attainment of this ultimate goal can be accelerated by approaching it in stages is another matter, Blomberg says. According to him, a quick answer cannot be found.

Generally considered, the experts react very pessimistically to the possibilities that Vayrynen's proposal might gain even wider support. From the standpoint of the West, according to them, the proposal contains the same weaknesses as Kekkonen's broad outline. We do not believe that the Soviet Union is ready to make concessions involving its own territory for such a small price. NATO's nuclear weapons, which are a thorn in the side of the Soviets, could easily be operated from outside the Nordic Arctic.

Internal political motives are also apparent behind Vayrynen's initiative. The Center Party leader wants to maintain his own foreign policy image and at the same time parry the support for a minizone to be formed by Finland and Sweden extended last week by Matti Ruokola, the chairman of his own party's parliamentary delegation.

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## POLL LOOKS AT PARTY SUPPORT, APPROVAL OF SORSA CABINET

Helsinki HELSINGIN SANOMAT in Finnish 12 Nov 82 p 11

[Text] Support for the parties remained the same throughout the fall. According to the latest opinion poll commissioned by the four biggest parties, support figures agree with other opinion polls taken in the fall: The Social Democrats are supported by over 28 percent of the electorate, the Conservative Party by over 25, the Center Party by over 18 and the SKDL [Finnish People's Democratic League] by almost 15 percent.

According to the Finnish Gallup poll commissioned by the parties, 59 percent of the respondents are satisfied with Prime Minister Kalevi Sorsa's government. The government's popularity has dropped by 7 percent since last year. According to a similar opinion poll conducted in April of last year, 66 percent were satisfied with the Mauno Koivisto government.

Twenty-six percent were mainly dissatisfied this time, whereas the corresponding figure in the previous poll was 18 percent. Fifteen percent of the respondents could not express an opinion.

In the opinion of many respondents, Finnish political life has remained the same since President Urho Kekkonen resigned from office. Seventy-seven percent said that there have been no changes. On the other hand, 19 percent felt that there have been changes, and most of them, 69 percent, were of the opinion that the changes have occurred in a positive direction. Nineteen percent of the respondents had perceived negative features.

Opinions on the generality of economic abuses in Finland were solicited in the poll. The overwhelming majority, 76 percent, believed that they have been increasing over the past few years. Nineteen percent were of the opinion that the number of such cases has remained the same as before and 2 percent believed that they were on the decline.

Of the society's different decision-makers, high government officials constituted the group within which such abuses were felt to be most in evidence. Forty-two percent cited this group and next were managers of private enterprises, whom 29 percent of the respondents mentioned. Respondents felt that the smallest number of economic abuses occurred in the group of national labor leaders (32 percent) and among commune politicians (29 percent).

According to the poll, interest in politics has slightly increased. Thirteen percent of the respondents said that they were very interested (14 percent in 1981) and 48 percent (40 percent) to some extent interested.

Only 2 percent reported that they were not at all interested in politics. In the spring of 1982 12 percent responded in this way.

According to the poll, the most urgent reforms to be effected were the lowering of the retirement age (53 percent), increasing the effectiveness of environmental protection (43 percent) and increasing housing construction (42 percent).

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## NEW BOOK EXAMINES CAREER OF PRESIDENT KOIVISTO

Helsinki HELSINGIN SANOMAT in Finnish 5 Nov 82 p 16

[Review of book, "Mauno Koivisto ja Kaikki Kuninkaan Miehet" [Mauno Koivisto and All the King's Men], by Erkki Raatikainen, Weilin ja Goos, 1982; reviewer and additional publication data not specified]

[Text] His personal capability, the virtues of his experience and his worker movement background seem to have helped Mauno Koivisto to be chosen for his new position. First, a career as a bank official ruled out the attractions of one in science and then politics fascinated him more than managing the Elanto Co-operative — with certain consequences.

In the course of his career the top man has probably himself adopted the man-in-the-street's view of life: If you don't hope for too much, you aren't too disappointed either. For example, Mauno Koivisto was not yet overjoyed with the idea of being a presidential candidate in 1974, but, when they finally returned to the issue about a year ago, he was ready for the job.

Erkki Raatikainen, whose chief activity is writing, is swift in his transitions. He has managed to sketch the first full-length literary portrait of the president now in office at a time when his career and way of thinking are of interest to everyone.

"This is not a personality cult book," the writer said. "To be sure, Mauno Koivisto is my hero, but not in a sense of exaggerated admiration, rather in terms of the fact that there must be a hero in every book or play." To be fair, we must add that, aside from being free of adoration, the book is also free of criticism.

The work is not without high-sounding phrases and stylistic devices like big words. The importance of the subject matter and the original way of dealing with it are sufficient to create a demand for it. People want to get to know their president better.

## Chronicle

The author has faithfully transcribed nearly everything the person he is portraying has said, written and even ~~in part~~ read over the years. Furthermore, since the jigsaw puzzle is based on the writer's personal, close-at-hand observations and wide reading, the end result is interesting. The review course in postwar domestic politics provided with Koivisto's assistance and from the point of view of behind-the-scenes Pitkasilta is, however, more of a chronicle than an investigation.

~~This~~ time the protagonist's status forces the author to limit the personal remarks so typical of Raatikainen to a minimum. The text is, nevertheless, not entirely devoid of spiteful remarks. A socialism that is more and more fading into the background, editors who have sunk to being gossip columnists and a few others are sharply criticized.

Naturally, Mauno Koivisto's essential personal characteristics, his personal relations and why not too revisionist Eduard Bernstein, who galloped out of the night of oblivion like a dark horse during the election campaign, are in this interesting work.

## Alone

The work indicates that Koivisto is not a person who is bothered by solitude, just the opposite. He got used to it as early as his childhood when he lost his young mother. His experiences during the war merely confirmed his feelings about it: The far-ranging guerrilla does not talk much.

Particularly in politics standing back adds to the uncertainty of others. Or, as Nobel Prize-winner Elias Canetti sums it up: "A person who keeps quiet knows himself exactly, what to leave unsaid. Others can only guess what he's thinking."

Koivisto has maintained his distance as a speaker too — probably deliberately so. But he has admitted: "When I say something that can be interpreted in many different ways, there is at least the advantage that one can oneself say what the right interpretation is. In politics you often have to try to cover up your own actual thoughts so that you can get something done."

In his opinion, much mediocrity seeks shelter in different sorts of programs and among the learned. Koivisto is of another sort. He wants to preserve his freedom and make his decisions in accordance with the requirements of the situation, independently — even after taking time to think about it.

When the newly-elected president told the press in Parliament that that was their last chance to ask questions, he certainly did so with relief. He was not at home with the crossfire of election campaign issues. The isolation of a high position is not inviolable either, but it is disturbed only by conditions condemned to it.

## Arbitrator

It is no accident that ~~Mauno Koivisto~~ got to be president of Finland by a clear consensus. His conciliatory way of thinking became apparent at an early point.

For example, in his doctoral dissertation Koivisto demonstrated the futility of disputes and arguments as follows: "Probably sufficiently well-founded is the observation that an argument is a particularly ineffective way of trying to change opinions. Every normal person goes on the defensive if someone claims that he is wrong and in need of the greater wisdom offered by a different opinion."

Koivisto later distinguished himself as a wage policy arbitrator at the end of the 1960's. Together with Keijo Liinamaa, among others, he wanted to keep disputes down by bringing opposing views closer to one another.

Raatikainen is of the opinion that, as president of Finland, Koivisto — like his predecessor — has already gone more than half way to meet religious and farm factions. The words he addressed to those attending the SAK [Central Federation of Finnish Trade Unions] 75th anniversary celebration also emphasized the importance of arbitration: "If everyone energetically promotes only his own interests, no one's interests will be promoted."

## The King's Men

Koivisto, who went from being a port worker to defending his doctoral thesis in Turku, naturally was first significantly influenced in terms of his intellectual edification by his university professors, primarily Prof Esko Aaltonen and Prof Heikki Waris, and, viewed in somewhat broader terms, by the so-called Knoellinger circle which was specifically engaged in research on labor relations and factors that interfere with them.

He had also established long-standing personal relations within the Turku University Social Democratic Association. Among its members were Timo Helela, Ilkka Pastinen and Reino Tuomi. Timo Helela and Keijo Liinamaa, stabilizing influences who died when relatively young, later got to be particularly close to Koivisto.

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## ND REORGANIZATION SEEN WEAKENING LEADERSHIP ROLE

Athens EPIKAIRA in Greek No 744, 4 Nov 82 pp 16-17

[Excerpts] Everyone now agrees on the need to renew New Democracy, but no one is willing or is in a position to concretize the meaning, extent and depth applying to implementation of such an aspiration. The party's leading cadres, who agreed to answer EPIKAIRA's related question, gave a general picture of the renewal which is aspired to and which could be summed up in four basic points: Rearrangement of the party's organizational structure; democratic organization and operation; re-definition of political line and re-declaration of ideological principles; and utilization of new people when and where this is necessary to achieve renewal.

It is clear from the answers given by ND leading cadres that: The subject of leadership is not being directly touched upon; there is no explicit clarification on whether the sought-after renewal concerns an ideological-political turn to the center or to a more conservative schema; and certain cadres, particularly I. Boutos, are exercising indirect but clear criticism of the current leadership's actions during the past year in the performance of ND's role as the official opposition.

The fact that the subject of renewal was broached directly after the municipal election results, which were favorable for ND, and by Evang. Averof himself, clearly must be noted as especially significant.

Mr. Averof avoids any schematization or commitment relating to ideologic clarification of the renewal. Most of the functionaries from the official opposition party consider this legitimate, as well as expedient from a political standpoint.

It is maintained that ND, in its partisan rivalry with PASOK and in having to confront a continual high-bidding in the area of socio-economic grantings, has already taken very advanced steps. Its policy and concessions in the sector of state interventionism clearly can be considered an effective deviation from the principles of a liberal economy. It is called to mind relative to this that since 1976, that is for six years, the party which handled the power has been accused of "social-mania" while G. Mavros, claiming genuine centrist titles, criticized ND, saying it had gone ahead with nationalizations at a rate greater than had been dared by social-democratic governments which have held the power in their countries for more than 50 years.

On its side, PASOK was next to push its own position more to the left in an effort to differentiate itself from ND governmental policy. The result was that the two



great parties' whole field of confrontation was shifted ideologically and politically more leftward, the center disappeared, and ultimately the KKE benefited from the general turn to the left to which the electoral body was led. Moreover, it is noted as particularly significant that this shift was observed in a period of acute international economic crisis which required, ~~instead~~ of high-bidding, the lowest bidding in grants and, instead of confrontation, a blending of the socio-economic systems which the two parties express.

As emerges from Mr. Averof's statements, included in the renewal promised by the current ND leadership is also re-establishment of the party's ideological framework. This will be attempted by working out a new government program which will include clear and concrete positions on all the great issues of domestic and foreign policy.

It is maintained that this effort, aside from being necessary and imperative in terms of time, is now also easier. This is because PASOK, from its position of power, is obligated to follow a "more realistic" policy in the domestic and foreign sectors which will result in retardation of the journey to the left and stabilization of the two parties' field of confrontation in the area of the center.

#### Partial Disagreements

This is, on general lines, the ideological-political content of the renewal as defined by Mr. Averof in his statements. Its theoretical form is not causing objections or reactions from the party's remaining cadres. It is, however, very doubtful that the concurrence of viewpoints will be maintained as the renewal begins to be implemented. There are ideological and political issues on which significant disagreements have been expressed in the recent past. As an example, reference could be made to the issue of recognizing the national resistance, the extent and depth of educational reform, the breadth of nationalizations, the simple proportionate [electoral system], the possibility of post-electoral cooperation with PASOK, etc. It is clear that there are fairly many issues on which disagreements will emerge if and when there is an effort to determine a corresponding clear and concrete party position.

Beyond this, re-establishing a democratic structure and operation in the official opposition party and activating the political office with all the top ND cadres participating is considered anything but painless for party cohesiveness.

Directly or indirectly, for good or bad, these measures are combined with the weakening of Mr. Averof's leadership role since they tend to transfer important jurisdictions for charting and exercising party policy in collective organs. The question which emerges, therefore, is whether within such a new schema the various tendencies will be blended and personal ambitions will be blunted. Because if, on the contrary, the tendencies and ambitions are transferred to the collective organs, with groupings and coalitions, then the renewal could be changed from a pursued achievement to a subversive threat.



## PASOK-KKE CONFRONTATION FOLLOWS ELECTORAL RESULT

Athens EPIKAIRA in Greek No 744 4 Nov 82 pp 14-15

[Excerpt] The most unfavorable consequence of the municipal election results was, for the government, the spectacular increase in KKE voters--an increase which was imprinted distinctly and indisputably in the first phase of elections and which EPIKAIRA called "inventorial."

In the overwhelming majority of municipalities, KKE increased its forces, with a parallel decrease in PASOK forces. At the same time, ND appreciably increased its forces despite the unfavorable forecasts made by those who "read the entrails" and the wishes of PASOK cadres who are "isolated from the masses."

The picture created domestically, but also abroad, was, very clearly, disturbing for the government. It was:

1. The KKE was made regulator of the country's political life.
2. A large part of the voters who gave victory to PASOK in 1981 were communists. And the slogan "No change without KKE" assumes a more dramatic significance.
3. The efforts to appease the communists, with concessions which mean blowing up historical truth, the Greeks' sensibility and economic and social life, were not enough to keep the leftist masses in a state of "moderate lethargy." The question directed to Mr. Papandreou by leftist printed matter: "Where will you elect mayors without us?" echoes badly throughout Greece, but also in the international arena to which the government is at the same time giving a "picture of self-power."

Reports by allied services which have been published in the press present the situation in Greece as gloomy. The prospect of the "pure-blooded" (as opposed to the French) Greek Communist Party participating in the Papandreou government "has alarmed the Americans" and has undercut the prime minister's negotiating position, but also Greece's position in the western world where--despite things said before the election--it continues to belong. The revelations about the existence of party organizations in the army increased these anxieties.

## What Is To Blame?

The situation created in general has caused a chain of reactions within the governing party.

Originally there was an analysis of the reasons for the increase in KKE voters, but also for the KKE's "implacability." In repeated meetings of the party's leading cadres, various viewpoints were developed. They are as follows:

1. The contact of PASOK youth with analogous youths from the Left caused an "ideologic confusion" and "predominance of the more hard-line positions, as always happens among young people"
2. The outrageous communist propaganda carried out by ERT [Greek Radio and Television] (one and two) from morning until night and in all sectors, from the news to artistic and historical broadcasts, nurtured a "new communistic-type Greek" unable to feel particular friendship toward Moscow but fatally hating anything reminding him of the West. The antagonism shown by the government press to the display of "favor to the KKE" has the same consequences.
3. The abrupt abandonment of PASOK's basic slogans referring to NATO, the EEC and the bases disenchanted one part of the people,...
4. Finally, the "accomodating" viewpoint that PASOK voters, mildly displeased for some reason, cast a warning vote was developed.

Moderate politicians who participate in the PASOK leadership observe that with its slogans it had attracted a large part of the urban population who returned to its area. Thus is explained the increase in ND forces.

The expressors of these viewpoints clashed openly or covertly all last week, with the following results:

1. Several deputies are more openly severing their positions and are awaiting inevitable developments with composure. They disagree radically with the party structure and its ideological "relations."
2. Inclinations to "re-establish the unity of democratic forces at the base" are being described.
3. The group which is closest to the leader is suggesting tough measures against the communists and their isolation from the crucial posts which they had taken, restriction of communist propaganda on television, etc.

For the time being, this last faction is prevailing and, in fact, there is information that: Widespread changes in PASOK's propaganda mechanism are being prepared; the extreme pro-government newspapers will be "controlled," and there will be an effort to "confine" the communists "where they are," particularly in the army....

## KKE CENTRAL COMMITTEE HAILS ELECTORAL VICTORY

Athens RIZOSPASTIS in Greek 28 Oct 82 p 1

/Announcement of the KKE Central Committee on the municipal elections/

/Text/ The KKE Central Committee hails the great democratic victory in the municipal elections. It is a victory of the unity of the people who in their great majority voted for a militant confrontation of their problems, for municipalities and communes that will belong to all the people and for a democratic, independent and progressive course in our country.

The second round of the municipal elections completed the people's victory of the first Sunday and confirmed and emphasized more vigorously the political conclusions of the first round.

First: It is confirmed that the great majority of our people expresses their desire for changes in the life of the country. Nevertheless, it should be noted that New Democracy maintains strong influence and is trying to demagogically exploit the people's problems and the fact that the governmental policy does not correspond to the expectations of the people.

Second: The need for and the great effectiveness of the broadest democratic cooperation that ensured a democratic victory in nearly all the municipalities of the country is hereby confirmed. The KKE, with its solid unifying policy, gave its determining contribution for bringing about a democratic victory throughout the country and primarily in Athens, Salonica and Pireaus.

This fact provides a significant unifying lesson that must be perfected by all those who really want change in our country. It is a new unifying chapter that will give greater impetus to popular unity for real change in our country. It gives one more answer to every anti-unifying policy, to every attempt to split the popular forces. It justifies the pre-electoral effort by our party to bring about the broadest democratic cooperation on a pan-Hellenic level that did not succeed because of the political choices of the governing party.

Third: The great success of the coalitions the KKE supported is hereby confirmed, both in those cases where it confronted coalitions that were supported by conservative forces as well as in those supported by the governing party and other forces. The people, independent of party positions, voted overwhelmingly

for most of the coalitions the KKE supported in order to ensure municipal authorities for all the people, that will resolutely fight for their problems, that will stand up against arrogance and every form of discrimination, that will defend the independence of the municipalities and communes, that will act constructively far from a monotonous disavowal of or blind obedience to central authority. Broader popular forces, even citizens of conservative tendencies, turned their backs to anti-communism, outdistanced psychoses and prejudices of other eras that did so much harm to the issue of democracy in our country, a fact that objectively gives a new dimension to popular unity and provides stronger foundations for a democratic and nationally independent course for our country.

Finally, the overwhelming vote for the coalitions the KKE supported expresses the rise in the importance and influence of the KKE, its broad recognition by the people as a consequent, unifying, responsible and irreplaceable force of true change and the need for making it most substantially stronger. The KKE, far from any triumphant noisemaking and boasting that is foreign to its nature, will undertake in deed its new, increased responsibilities and will do whatever it can to correspond to the greater role entrusted to it by the people for the building of popular unity, the serving of the interests of the working people and the promotion of true change in our country.

The KKE Central Committee hails all patriots and democrats who, regardless of party positions, voted solidly for the coalitions the KKE supported, as well as those of the democratic cooperation. It addresses itself to the new mayors, to the municipal and communal advisers who were elected with the support of the KKE and other democratic forces and calls on them to work with consequence, self-denial and initiative for the people's problems, to be in constant contact with the people, to count on their participation and mobilization, to construct the broadest and most effective cooperation with the municipal councils without exception on common municipal problems so that they would become worthy of the trust and expectations of their fellow citizens.

The KKE Central Committee has decided that the first conclusions of the municipal elections battle would be discussed at all party organizations. It also stressed the need for further study of the experiences of this complex battle and of the tactics of the other political forces. It especially emphasizes the need for the positioning of every democrat, regardless of what party he belongs to, every adherent of change vis-a-vis a government methodology in the municipal elections which in many instances was characterized by interference by the state apparatus in the electoral battle, the biased stance of the state mass media, favoritism, the exertion of pressures, as well as the attempt to rekindle and further anti-communist biases.

The central committee, ascertaining that the people are more and more not approving the strategy of "self-power" as well as the attempts by the governing party to impose it in various ways including the proposed unacceptable electoral law that serves bipartisan plans, calls upon every democrat and every democratic element for joint action in favor of the passing of the simple and unadulterated proportional representation electoral system. Also, for the establishment of the electoral system that ensures the genuine representative expression of the people and that would be able to provide for a stable and democratic governing of the country in the direction of true change, based on all the people and their progressive forces.



## ELECTIONS SEEN BOTH VICTORY FOR, WARNING TO PASOK

Athens ANDI in Greek No 217, 29 Oct 82 p 3

/Editorial: "The Sibyl of the Municipal Elections"/

/Text/ Rarely have so many expected so much from the municipal elections as the parties. And rarely have all received so many answers as to be unable to immediately comprehend which key answer "was the correct one" with regard to their primary questions and aspirations.

The ballot box acted as a sibyl. Its results are being offered for varied and contradictory uses and interpretations. Besides, it is for that reason that all hail victory, but it is for that reason that all, on another level, are worried or are trying to find the genuine answers behind the flurry of percentages and figures of the municipal representations.

We have tried in previous columns to analyze, despite everything, the solid facts that can be deduced from an analysis of the results. At any rate, the main line of the interpretation lies in the fact that the municipal elections reproduced, at another level, the result of the 1981 parliamentary elections.

In short, with significant fluctuating but not radical trends, the disposition of political forces that emanated from the 1981 parliamentary elections was consolidated with the 1982 municipal elections.

However, the additional knowledge on these elections is that while 1981 was the result of a process for the restructuring of the political forces, now it is the result of a consolidation of their social and political references. Moreover, the municipal elections made evident to the naked eye a polarization of Greek political life that now revolves, with tense relations, around three different projections of power: PASOK, the Right and the KKE.

At the same time --and this is also new-- the municipal elections, as much as they constituted a warning for PASOK's policy, were also a consolidation of its party self-control. The simultaneous clash with the Right and the KKE was for PASOK a test not so much of its central political grounds but primarily of its party composition and that of its local commands. And it did well in this test and in many instances it converted it into overwhelming success --a small but



not negligible example was its success in the communes where it has 3,595 (63.4 percent) /commune presidents/ as compared with 1,432 that it had in 1978 (25.2 percent).

In one way, then, and since PASOK is sailing through the problems of governing intactly, it is establishing the conditions for a permanency of its party presence, it is developing the supports for long-term social and political consolidation, it is creating the conditons for bringing about, from a socialist movement with populist characteristics, a socialist organization with a solid social structure and autonomous political grounds.

Nevertheless, all of these possibilities, of course, are dissimulated and refuted by the ballot box predictions. This is so because both the subsidence and drop in the percentage of the governing party in the big urban areas shows that the historic limits for experimentation are unusually restricted.

And also that the governing party is not so vulnerable --at present-- from the actions of its opponents as from its own inaction, from its omissions and actions in directions that nullify the force of the vision that brought it to power.

PASOK, therefore, has derived from the municipal elections, both the designation of the path and the forces of Change as well as a warning for the possibility of a setback.

Let it therefore choose, harmonizing its own self with the visions and demands it so well discerned but serves many times so inconsistently.

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CSO: 3521/59

## MAINTENANCE OF PERSONAL DOSSIERS CALLED SHAMEFUL

Athens RIZOSPASTIS in Greek 31 Oct 82 p 2

/Editorial: "The Shame of the Dossiers"7

/Text/ One of the explicit pre-electoral promises of the present government was the abolition of the maintenance of the shameful personal dossiers that had started at the time of the civil war and that had assumed monstrous aspects and proportions during the 7-year junta period. There was practically no pre-electoral meeting in October 1981 when Mr Papandreou did not promise the abolition of the personal dossiers. And when the present prime minister was asked by reporters who accompanied him on one of these trips, "What will happen to the existing dossiers?," his answer was categorical: "We will burn all of them!" A year has passed from the time when PASOK has been at the government helm and the dossiers "are living and doing well!" Not only have they not become the prey to the flames, as Mr Papandreou had promised, but state services are continuing to use them and "be informed" by them, as disclosed by two specific cases that have been denounced by RIZOSPASTIS TIS DEFTERAS. In the face of the solid facts of this report, Minister of Public Order Skoularikis was forced to admit the shameful continuation in the use of the dossiers. And wishing to justify this unacceptable and anti-constitutional situation, he maintains that "the abolition of the dossiers is not such an easy thing!" But why is it not easy? A mere administrative decision of the appropriate ministry would suffice to put an end to the dossiers and to have them destroyed. This matter is directly linked to the respect of the fundamental rights of the Greek citizen.

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## LONE ATTACK AGAINST ARMY RADIO STATION DISCUSSED

Athens AKROPOLIS in Greece 6 Nov 82 pp 1, 7

[Excerpt] Hooded commandoes attacked the former Armed Forces Information Service [YENED] at 0300 at dawn yesterday. The [Greek] Pentagon is disturbed by this unprecedented attack and Deputy Defense Minister And. Drosogiannis held successive meetings with appropriate military leaders to investigate the case. He conferred with Lieut. Gen. Panagopoulos, chief of the General Army Staff, and dispatched to YENED the director of the Second Staff Office to gather preliminary information.

The way the commandoes infiltrated YENED is the major problem occupying the Pentagon since such action has rendered useless the security system. According to converging reliable reports, the probable intention of the commandoes was to occupy the station temporarily by putting out of commission the alert system and subsequently stealing the YENED security plans. After occupying the station, most probably they might have attempted to broadcast messages of political content. The possibility of their intention to steal documents, etc., should not be excluded.

In the meantime, the government is trying to minimize this unprecedented attack and talks about an attempt by the commandoes to steal money from YENED's safes.

## Attack with Chloroform

According to an official view, a hooded man succeeded in reaching the 4th floor office of security supervisor Major Dimitrios Panourgias at 0300 hours without being detected. The hooded man held in his hand cotton dipped in chloroform. He approached the major who was asleep and tried to immobilize him. But the major counteracted, there was a scuffle, tables were overturned and chairs flung about. Finally, the hooded person fled. The major is being treated at the 401 Military Hospital.

Various sources believe that besides the hooded person there were others also who could be acting as guards; that the attackers knew what they wanted, knew where to find it and how to get it; and that they might have been helped by the inadequate security of the YENED area after the service [now known as ERT-2] was transferred to the Ministry to the Premier.

## The Major Talks to AKROPOLIS

Our reporter D. Kalakos reports that Major Dimitrios Panourgias, the victim of the mysterious night attack against YENED, said: "In my opinion, the person who entered my office and attacked me did not intend to steal anything. He wanted to put the warning system out of commission!"

AKROPOLIS was able to break the unprecedented security knot at the 401 Military Hospital where Panourgias is being treated. The place was tightly guarded against a possible "invasion" by the reporters.

## All Angles Are Being Examined

The military administration of the Greek Radio and Television-2 [ERT-2] (which still occupies the premises) was unwilling to give any information. ERT-2 Director Alexiou assumed the responsibility of informing the press.

In the meantime, the YENED corridors became areas of guesses, speculation and idle talk about the ease with which the "invasion" was carried out--despite the presumably strong military presence--about the "invader" knowing that the supervisor was alone in his office and that the lone soldier-guard was at some distance. But the fact mostly discussed was that the alert system which protects the YENED compound was in the supervisor's office and that perhaps the main target of the "invader" was this system. However, many were those who believed that the night attack aimed at "occupying the YENED installations albeit for a short while only."

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## UNITY IN ND ON CONSISTENT POLITICAL LINE STRESSED

Athens I KATH MERINI in Greek 5 Nov 82 p 1

[Text] The New Democracy "leadership issue" is more technical and less real. It would have been real if the various suitors of the leadership, those who have aspired or are aspiring to fill the "gap" created when Karamanlis became president of the republic have different ideologies than the one the founder of the party defined and the ND Panhellenic Congress approved.

The opposite is true, however. All heirs apparent have striven or are striving to give the impression that they are continuing or are truly representing the politico-ideological line Karamanlis has charted. Therefore, the comparison between the ND staffers is limited to everybody's personal qualifications and every choice is tested in practice on the basis of an unfair and unrealistic criterion: the comparison of the successor with the model of a leader the founder of the party has visualized.

G. Rallis who was the first to be asked to fill this gap was found to be lacking compared to this model. The second, Averof, did not perhaps fulfill the hopes of his supporters who felt that he would prove to be a more successful choice than Rallis; and it is possible that the development of a new "issue of leadership" may intensify rather than ameliorate the problem. Therefore, those responsible in ND should wait for "developments" and not accelerate them. As the last municipal elections have proved, the strength of New Democracy is found in its increasing popular base.

It would therefore be senseless for the ND leadership at the top to undermine the unity, the struggling ability and optimism of the rank and file. In addition, it would be politically destructive for anyone who would attempt to put any personal ambitions above the demand for unity as dictated unanimously by the ND world.

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## PLANNING FOR FULL NEGOTIATIONS WITH TURKEY REPORTED

Athens 1 KATHIMERINI in Greek 7-8 Nov 82 p 1

[Article by our Paris correspondent Rikhardos Someritis]

[Text] According to persistent reports circulating here regularly but also "imperceptibly," the Greek government is preparing the groundwork for a future "total negotiation" with Turkey which directly or indirectly will include the Cyprus question.

This is believed all the more by foreign observers who combine this possible development (specifically they speak about a "great turn" of Greek diplomacy in this sector) with the broader "normalization" and definite settlement of the relations between Greece and the United States and NATO. Some of the information leading to these conclusions is of particular interest.

The first refers to the well known and much discussed "moratorium" [between Greece and Turkey] and to the systematic "good will" Greek diplomacy and the Greek government show in whatever concerns Greek-Turkish relations. This is the explanation given for Greece's abstention every time the debates in the EEC councils concern the issue of EEC relations with Evren's dictatorship; the restrictions imposed on the Turkish political refugees in Greece (even the indirect return of Kurds to Turkey...); the unexpected police interest in the activities of the Armenian community as well as the "realistic" statements of the premier himself on the dialogue with the dictatorship a few days before the--Papadopoulos style--"constitutional plebiscite" was held by Gen. Evren--statements which were made accidentally of course in Brussels where the policy with Ankara is being disputed and EEC's credits to Turkey are "being frozen."

#### Another Policy

According to the same sources, the Greek diplomacy's stand on the Cyprus question--and the Turks--does not contradict such an outlook. Even though the Athens-Nicosia relations appeared less cool following the recent official Kyprianou visit to Moscow, everyone notes the interest created by the recent visit in Athens of conservative and pro-western Cypriot leader Glavkos Kliridis who heads not only a Cypriot political party but also a different political policy on the "national issue."

## Other Issues

The fact that the same very close circle of officials (Deputy Foreign Minister Kapsis, diplomatic adviser to the premier Khr. Makhairitsas and certain others, none of whom is known for "dogmatic" anti-American tendencies) is handling the question of bases and the NATC issue--of course military personnel is also participating--as well as the Aegean and the Cyprus issues--this fact strengthens the view for a possible "total negotiation" with Ankara on problems which for years underlied the crisis in their bilateral relations and in the southeasterly wing of NATO.

## Change in Conditions

Of course, the Turkish side always wanted such direct or indirect "total negotiations." If the Greek side has rejected it, it did so to avoid weakening the international stature of the Republic of Cyprus. However, the Athens-Nicosia crisis and the reminder of the theory of the "national center" [Athens] which should have played a decisive role, is being interpreted as an indication of change in policy and mentality. In addition, the overall political, defensive and diplomatic conditions in the broader area are today sufficiently different than even in relation to a most recent past. This, perhaps, allows for revisions.

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CSO: 3521/68

## WRITER QUESTIONS RELIABILITY OF COUNTRY VIS-A-VIS WEST

Athens MESIMVRINI in Creek 27 Oct 82 p 1

/Commentary by Alexandros Velios: "The Mirage of the French 'Mirage'"

/Text/ Greek-French relations, therefore, remain relations of "cordiality and confidence." This diplomatic statement by a spokesman of the French Ministry of Foreign Relations was presented by the government spokesman as a refutation to the revelations by MESIMVRINI about a freeze on discussions on the co-production of two new types of "Mirage" aircraft in our country because of fears of leaks of technical secrets from Greece to countries outside the Western alliance.

Diplomacy obliges..... and, besides, there is undoubtedly a "common inspiration and identity of views" between the governments of Greece and France in the ideological domain, as perhaps in that of domestic policy. However, what about foreign (and, indeed, defense) policy? It is an unusually critical question to be answered merely with one word or lightly. The fact remains that both countries recently caused problems for NATO and, indeed, for its transatlantic core, with the electoral upsets of May and October 1981.

The socialist Mitterrand government has a traumatic experience that the socialist Papandreou government did not experience. Eight days after the French Government acquired communist ministers, France was cut off from NATO's military intelligence system. It is not known exactly after what assurances were given and after what measures were taken that France was reconnected with the defense system of the Western world... However, it is possible for one to imagine that this experience gave the French Government special sensitivity on security matters.

Such a matter is involved in the "Mirage" co-production in Greece. The reason: the intelligence information systems that the "Mirage" are equipped with are linked to the military electronic stations of the security system of the West. Further details are perhaps not appropriate. We will limit ourselves to an expansion of the controversial article by MESIMVRINI with the notation of some questions that were not covered by the "refutation" by the Quai d'Orsay spokesman.

- Is it true or not that a high-ranking French military official came to Athens 2 months ago and had contacts with appropriate officials for the construction in Greece of a huge "Mirage" repair center --with the cooperation of the EAV /Greek Aircraft Industry/-- that would service the broader Mediterranean region?

- Does the Greek Government know about the existence of a report by NATO's COCOM (Coordinating Committee for the Control of Exports to Eastern Countries, with headquarters in Paris) concerning the "hemorrhaging of high technology toward the Eastern bloc?" According to this report, about 1,000 individuals in Greece are engaged in industrial espionage for the East. The reason, of course, is mainly over the sensitive area of war industry --indeed, of the EVA-- and specifically its expanding electronics section.

- Third and last question. The problem does not lie in the decision months ago to purchase 44 "Mirage" (and, almost certainly, 60 F-16's) for the needs of our Air Force. It lies with the government's sought after agreement for the co-production of the "Mirage" in Greece. Have the appropriate government officials been asked why the French have adopted a slowdown tactic in this matter?

- Besides, the example of the defense agreement between France and India is not proper, that was anticipated --as refutatory of MESIMVRINI's revelations-- by a segment of the press. Not only because the two countries have a tradition of defense and technology cooperation inaugurated under de Gaulle, but because India has concluded defense agreements with the West that are very strict --according to the most strict NATO "prescriptions."

Nevertheless, all of the above go back to one much more substantive question. Perhaps Mr Papanicolaou's verbalistic policy (the continued cashing in of foreign policy in the party bank) is tending to make Greece a contested country within the West where it necessarily belongs? Perhaps "socialist" Greece no longer fulfills the Western prescription of security --that nevertheless directly influences its own security? The most characteristic is that these disquieting questions are arising on the occasion of the sought after defense cooperation with socialist France.....

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## 'SECRET' EASTERN BLOC FOREIGN POLICY APPRAISAL PUBLISHED

Athens MESIMVRINI in Greek 6 Nov 82 p 1

[Article by Alexandros Vellios: "How the Easterners Assess our Change"]

[Text] A little over a year after his rise to power, A. G. Papandreou does not seem to have met the political expectations of the Easterners..! He did not cause much commotion in the ranks of NATO..! His international initiatives—in the Palestinian issue, for example—were rather exclusively for domestic consumption, that is, only verbal! He is negotiating with the Americans on the bases in a way that raises question marks..! In general he exercises a strictly personal policy which remains unclear—and therefore unreliable.

The above assessment of the Papandreou policy from the Eastern viewpoint is contained in a secret report from an Eastern embassy in Athens. MESIMVRINI has seen extensive excerpts of this report. The authenticity of the excerpts is beyond doubt and poses an eloquent contrast to the official—at a governmental and diplomatic level—attitude of the spokesmen of "the extant socialism" toward the PASOK government.

Dealing primarily with Papandreou's foreign policy, this secret report (for obvious reasons we change the wording while preserving the meaning) assesses that:

--Greece tends to become just another member of NATO, just another member of EEC just as the others are. Although the withdrawal from these two organizations was rather unlikely, Papandreou's sloganeering before (and shortly after) the election created the impression that he would follow a different course in his relations with the Western Alliance.

--Papandreou's initiative for a denuclearized zone in the Balkans has little relation to the Balkans! It is used primarily as a lever to press the U.S. and Turkey and naturally it has no chance of being realized. (Note: This report was written before the visit to Romania.)

--Papandreou's initiatives on the Palestinian question and his emphatically presented pro-Arab policy do not translate into anything concrete on the international political stage. These moves are either for domestic consumption or for promoting narrow Greek interests (such as the attraction of Arab funds to



Greece). In any event, there has been some evidence recently of a shift toward Arab countries which are more pro-Western (Saudi Arabia, Kuwait), apparently under the pressure of Greek economic interests in the U.S.—which received heavy blows from the Jewish lobby there—and because the initial opening toward the anti-Western Arab regimes apparently did not bring the anticipated economic benefits.

--Recently Papandreou has begun to appear, indirectly, pro-American. He is not, however, sure that he is to the degree he wants to appear... His policy is entirely personal, unclear and up to a point unpredictable. It is evident, however, that he is concerned about Greece's interests while at the same time he is trying to serve his personal image.

--Papandreou has not made any specific political steps toward the East, nor is there any possibility of such steps at the governmental level (contacts are more likely at the party level). The report expresses satisfaction at Papandreou's attitude on such issues as Brezhnev's "peace offensive" and especially the Polish question. It is also noted, however, that the Greek deviation does not create any serious problems for the Western Alliance.

--Finally, on the burning question of the bases, the only question is not whether they will remain in Greece but under what conditions they will stay--specifically whether they will function within the NATO area or in the wider perimeter of American interests. The more probable prediction is--according to the report--that the bases will be placed under purely American and NATO control (as desired by the New Democracy Party) and will serve the American interests.

A special section of the report is devoted to the course of economic relations with the Papandreou government. There, too, the expectations exceeded reality, according to the report. It is noted that with the abolition of the "clearing" and Greece's accession to the EEC, trade is sliding downward. To slow down this course, a wish is expressed to have a new level of economic cooperation between our country and the Eastern bloc: Greece could buy technology from the Eastern countries and use it to produce products for export to the Arab countries--and especially to those that have ties with the East.

The disappointment which dominates this secret East European report on the first year of Greece "change" is interrupted by an expression of satisfaction in only one sector: the development of cultural-educational exchanges with Greece under the PASOK government.

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CSO: 3521/69

## COMMENTS ON TRANSPORTATION STRIKE AFFECTING ATHENS

## Attempted Blackmail

Athens EXORMISI TIS KYRIAKIS in Greek 6-7 Nov 82 p 12

/Text/ The objective of the strike of the trolley conductors and--ostensibly by brotherly solidarity--the parallel strike of the bus drivers, is to inconvenience the public and through this one more pebble in the failed attempt to undermine the government of Change. It uses as a cover the fight for unreasonable economic demands, as explained by the minister of transportation--above all, the "holy" right to strike. Strike, yes, but against which employer? Who is hurting whom in a strike? Because in this case those hurt are the working people, the employees, the shopkeepers, the charwomen who, unable to have private transportation, are suffering as they struggle to make a living. Obviously the blackmail is evident. It is an effort to turn all these people against the government. It so happens, however, that this government is supported by the working people. For this reason the result is the opposite of that expected by the strike leaders. The sooner they understand it the better for them. In the meantime, the responsible government is obligated to take any alternative measures to serve the working people. The government has the obligation to the people to deal in every way with a few hooligan attempts ostensibly to protect the strike from strike-breakers.

## 'Right to Strike' Discussed

Athens I KATHIMERINI in Greek 6 Nov 82 p 5

/Text/ The situation that has been created in the metropolitan area of Athens with the continuing stoppages--at different hours each day--by the trolley and bus personnel has gone too far, just as the suffering and the indignation of the public has reached its end. The public is the victim of this mess although it cannot be blamed for anything.

We must say that, above all, the government is unpardonable. With an unprecedented mixture of ineptitude and irresponsibility, it has allowed for a month and a half now this unacceptable situation to go on--and with the prospect of going on indefinitely. Because there are two possibilities: Either the demands of the strikers are legitimate, in part or in whole, in which case the government should have opened a dialogue with the strikers to find a mutually acceptable solution--which is always possible when both sides have good faith and a desire

for understanding--or, the demands are unjustified, exceeding the possibilities of the appropriate agencies and against the public interest, in which case the government should move decisively to end the abusive and anti-social exercise of the "right to strike." If necessary by taking new and appropriate legislative measures if the existing legislation on strikes and the abuse of rights is not enough. Because, in the last analysis, the people, too, have rights.

Let us explain:

The strike is certainly an inalienable right of the working people in free and democratic countries. The right to strike serves a broader social purpose--society as a whole. As we have noted in the past, many social conquests which are now established are because of strike mobilizations.

Yes, but like all other rights, the strike also has limits. Its abuse, that is, its use beyond certain limits in terms of extent or methods, makes it illegitimate and deprives it of any social purpose that was the reason for its existence, in the sense that it then works against society and the public interest.

We must say openly that the way the trolley and bus personnel has used the right to strike is abusive, illegitimate and anti-social and this makes the mobilization of this group unacceptable even if the demands were (and they are) more or less justified. The personnel of the trollies and buses strike during the peak traffic hours, that is, at the time the working people go to work or return home. With clear sadism and not even with the least--even class--solidarity with the masses of wage earners--who use public transportation much more than the well-do--the strikers use the masses of workers as an aggregate of hostages to blackmail a third party which in this case is a public service enterprise.

That's enough! As we said, the people, too, have rights--the people who support with their taxes the public agencies and their personnel. An immediate end must be brought to this unacceptable long suffering in one way or another. The government must not give in to blackmail to the extent these demands are unjustified or excessive.

7520

CSO: 3521/69

## CDA DEPUTIES DISCUSS FUTURE OF PARTY

Amsterdam DE TIJD in Dutch 22 Oct 82 pp 24-26

[Article by Dirk Kuin: "Without Heavyweights in the Parliamentary Group, I Think Lubbers will Fall"]

[Text] Will VVD [People's Party of Freedom and Democracy] leader, Ed Nijpels, summer '86, speak, with the elections in sight, about Prime Minister Lubbers with the same enthusiasm which he showed for Van Agt until recently? Will Lubbers have cleared the way in those days for the Netherlands' economic recovery? Will he have brought about the electoral collapse of the CDA [Christian Democratic Appeal]? Perhaps hopes are high in the country. But in circles of Lubbers' own CDA, they do not think it will come to that at all.

Grinning here and there, but especially with extreme surprise, DE TIJD comes out this week with a separate section of at least 16 pages about Ruud Lubbers? The many CDA parliamentary group members whom we called up over the weekend to sound out about what changes are imminent, unanimously consider it exaggerated. "What a lot of verbiage" says one of the christian democrats. Another remarks slightly ironically that he feels "very honored" on behalf of the group.

Lubbers as prime minister and Lubbers as a prominent CDA political leader, how prominent, that depends especially on the potential assertiveness of the new parliamentary leader. There is great unanimity among CDA members about the expectation that no other wind will definitely blow in the country under the Lubbers' regime. Chamber member Steef Weijers declares "at the most, gradual changes." CDA chamber member G. Gerritse says, "it does not make much difference who is in the Catshuis [prime minister's residence] and from what party he is. There are decisions which will have to be taken by anyone whatsoever. The room for maneuver is not very great."



One of the differences between Van Agt and Lubbers is that Lubbers is trained economically, while the lawyer, Van Agt, had to depend on advisers and political confidants, if it involves the figures behind the comma. "Yes, in view of the bad times, it is very helpful if the leader of the cabinet is an economist," thinks B. de Vries, himself one of the group's economic specialists. "Although, Van Agt had learned quite a bit about the profession in the course of time."

## Style

There is naturally the difference in operation as the leader of the team. Former state secretary, M. van Amelsvoort, (finance) says: "Lubbers will have a stronger influence on cabinet policy. Van Agt was a chairman who listened long to all arguments and then reached his conclusions. Lubbers will also listen, but he is still more the man to come out with his own ideas at an early stage."

Van Agt has naturally worn more than one hat since '77. He led the cabinet team, but that was only part of his job. Besides he was also the CDA political leader and a leading candidate three times in the last 5 years, which again makes quite other demands on the leadership. No sensible man can predict whether Lubbers will also put on this latest hat, but at the moment he is sticking with the two first mentioned assignments.

It is often supposed the group leader Lubbers "will have to watch" how the CDA moved to the Right under Van Agt's leadership. A certain concealed resistance to that development is suggested in that idea. Lubbers expressed himself in various publications about party political strategy, but in so doing, there always appeared more of an electoral pragmatism, than the desire to put political ideals into practice.

If electoral pragmatism also remains the guideline for Lubbers in the coming 4 years, he will presumably make efforts to widen the gap between VVD and CDA. Since for a centrist party like the CDA, it is not desirable to get too close to the VVD.

Moreover, the same is true for a borderline blurring with the PvdA. CDA chamber member, Hans Gualtherie van Wezel says: "In a certain respect, I was not so unhappy with Van Agt's decision to retire. I was afraid Van Agt was developing too much as a man who was above the parties. This is just as significant for the VVD as for the CDA. And that naturally was not a good situation for our party. It was certainly not because, in the case of Van Agt the prime minister's position was tied in with the



political leadership. If he had only been prime minister and we had had another political leader, that objection would have been much less valid. Therefore I expect--and hope--that Lubbers will stand out much clearer as a CDA man."

[Question] That implies that he must move away from the VVD?

[Answer] If he is striving for the CDA to be more clearly recognizable, he will have to do that, indeed.

### Honesty

A CDA political leader who is also prime minister, who will give the CDA clear-cut aims of its own, is not a new phenomenon. Who does not remember Van Agt's plea for a "moral awakening." Such an appeal was only conceivable in a party inspired by the gospel. But aside from the fact that a moral awakening is not the first matter which Lubbers himself is expecting, bringing up this kind of subject again in the struggle would lead the CDA precisely further to the Right. Secretary of State Jan van Houwelingen states: "moral awakening, that was goodness, respectability and reliability. It led to a very restrictive policy, to conservatism. Consequently, we must not seek that. That must not be any CDA policy. Moreover, that is the VVD's field."

How far has Lubbers himself moved toward the center in the course of the years, or has he perhaps even shifted somewhat to the Right? Gerritse, himself always--just as Lubbers--one of the christian radicals who took a very critical position against the established denominational parties declares: "I do not believe that his position has changed much since then. That is still the advantage; he still has the same ideals.

Van Amelsvort says: "Lubbers has the same aspirations as 20 years ago."

[Question] That cannot be. He was then on the edge of the KVP [Catholic People's Party] and considered breaking with it. Then he cannot have retained the same ideals and afterwards become the new leader in the center of that party?

[Answer] Indeed. But he learned in the course of the years where the boundaries are and where the impossibilities are. He has become somewhat more practical. To quote Van der Stee: sadder and wiser every day."

## That Loyalist Spectacle

As Lubbers proceeds to struggle vigorously to distance himself from the VVD--in which he again must operate extremely cautiously in order not to antagonize his own supporters--he will not be alone in the struggle. History has shown that precisely in such coalitions the CDA Left wing has an important position (the dissident problems during the Van Agt/Wiegel cabinet '77-'81). On one hand, there are CDA members who predict that such internal disputes will not take place anymore. Such as Gerritse who says: "Dissidents? I thought we had arranged to agree with each other. We agreed that unity was very important and everyone promised to strive for it. And I still take people at their word."

Steef Weijers says: "That loyalist problem? That will not happen again."

His group comrade Rene van der Linden says: "In the last elections a man such as Jan Nico Scholten did a great deal of damage to the CDA. He gave the VVD the opportunity to place the blame on the loyalists and criticize dissension and he enabled the PvdA [Labor Party] to attack us for a pro-nuclear weapons policy. That was extremely unfavorable. That clearly influenced the election result. Really the 45 seats were far from a bad result. Therefore I do not believe so much in that story about Van Agt's collapse. It is usual that the CDA never is able to go into the elections under ideal circumstances."

## Revision

There is no loyalist problem? But why must the CDA then set up a working group 2000 which is going to discuss the CDA's identity! Again opinions appear divided. On the one hand, the somewhat soothing note that a young party must reevaluate now and then. But that still does not mean that there is great dissatisfaction with the policy conducted, let alone the fact that the working group must concern itself with everyday policy. Steef Weijers says: "That working group must concern itself with the question what our answer must be to the constantly increasing abandonment of voting by church affiliation. What can the CDA mean in the future?"

But other group members think that CDA policy is ready for revision. That brings us back again to Lubbers and his assignment of finding a new image. And among the loyalists Van Houwelingen says: "Lubbers can only succeed if strong people appear in the group. People who can support Lubbers in his efforts to distance himself from the VVD. A strong group leader--Deetman would be very suitable for that--who is supported by a

number of heavyweights. If that does not happen, I think Lubbers will fall. I consider the prime minister's position an extremely risky matter for Lubbers."

Van Houwelingen is very much inclined to return to the group, "spending a quiet year was pleasant and also instructive. But as a politician, I enjoy more helping to determine a party's political policy. And that can happen, in fact, only if you are a group member."

Consequently Lubbers faces two fronts: for the long term, the struggle against voting by church affiliation, and for the coming years the struggle against the VVD "partner." Van Houwelingen, who has learned at defense something or other about strategies and lines of march, knows that resistance to the VVD will not genuinely go against Lubbers' nature. "It was a fact: Van Agt was the target of the PvdA and Lubbers of the VVD. Just think of the '77-'81 period. And you will always see: some such thing will work out, even in politics. Whatever denials you express about it: you are influenced by it."

The Critical CDB [Christian Democratic Council]

Three weeks ago the critical CDA working group, the CDB, met in Amersfoort. The opposition was directed against the threatening fading away of the CDA and implicitly against the political leader, then Van Agt. The CDB appears to be at his beck and call.

CDB coordinator, Rien van de Wetering says: "The reactions in our circle are positive. We have in every case a good expectation that now, for example, the relationship with the trade union movement will be established and that there is a chance that the whole personality cult in the CDA will lessen somewhat.

[Question] Former party chairman, Steenkamp, has recognized that the CDA still will have to choose between a conservative character or a centrist party.

[Answer] "Conservative? That cannot be any option! We determined that when we started the CDA. The CDA has a good program. It is a question of implementing it. You must decide with whom it goes the best. We do not believe that the CDA always intrinsically must govern with the PvdA. That previous opinion is not valid for me at all. If we can only keep our own program above water, if necessary in the opposition."

Brighter

[Question] What does the shift of power in the CDA mean for the CDA and the CDB?

[Answer] There will be more room for discussion. I think that with Lubbers you will find points of contact to understand that thoroughly. It is somewhat brighter for the CDB."

[Question] Now there were plans to hold that discussion. At the end of this month a special working group will be set up for this purpose. Are you not afraid that the discussion will be kept abstract and that they will not concern themselves with everyday policy.

[Answer] I would like that now. Let us compare what we now are doing with our program of starting points. It must, in every case, not become a discussion which is started to undo what we promised 2 or 3 years ago. Under the slogan of: "if necessary we will lose a few months, but that only encourages consistency."

[Question] Consequently that working groups is going to take over the CDB's assignment.

[Answer] Those are things which we are considering certainly. We do not want to interfere in the discussion which is going to take place in the party with the discussions which we have together."

[Question] Does that mean the CDB is going to feel involved with the CDA in a somewhat different way, which comes more from the fringe and moves inward?

[Answer] We are not on the fringe of the CDA. We are CDA members and we want to remain so.

[Question] Still not unconditionally?

[Answer] That is true for all members. But we are interested that the connection between policy and program be considered. And we do not hear that we had better leave the party, if we see some things somewhat differently than Van Agt. As for that, an attitude must develop in the CDA which unfortunately does not yet exist there. If that is once accepted, then as far as I am concerned, the CDB can disappear.

[Question] Do you have an encouraging message for Lubbers?

[Answer] I think that Lubbers surely will be able to suspect that the CDB does not view this power shift negatively. On the contrary, the CDB has certain expectations of a positive development in the CDA. But I think that Lubbers will not be surprised by that message. He finally has his own past. He has built up a name which we hope he is going to prove.

8490  
CSO: 3614/14



## BOOK REVEALING AKP SQUABBLES MAY INDICATE PARTY NEAR END

Oslo DAGBLADET in Norwegian 6 Nov 82 p 11

[Text] Is the book about the high school teacher, Pedersen, a sign that the AKP has become so weak it is almost on its deathbed, unable to prevent such writing? Or is the publication of Dag Solstad's book a sign that the party is so strong and so tolerant that it can indulge itself in the publication of a novel that leaves one large question mark?

Both reactions have occurred within AKP circles to Dag Solstad's novel about a high school teacher's life in this strange awakening that captured a whole generation.

Among outsiders, there is a cheerful conclusion: The awakening is nearing its end. The revealed religion that led thousands of young people to live under cover names in a state of emergency for about 10 years is in the process of losing its hold.

Maybe, but maybe not.

## Exceptional

The literature of the AKP is, like the party, a strange plant, quite exceptional in European context.

Suffice it to make a comparison with Sweden. There the Marxist-Leninist Jan Myrdal is the exception. As a rule, the tone-setting writers--and dramatic artists--are Social Democrats. They are almost personal campaign workers for Olof Palme.

In Norway, the Social Democratic writer is the exception. If there is any nightmare that has plagued the party office at Youngstorget in the past 10 years, it is the lack of recruitment among creative intellectuals. The children of the Social Democrats were in large part captured by the awakening and turned away from their fathers' houses in disgust.

## The Pendulum

There are 12 years between "Arild Asnes 1970" and "High School Teacher Pedersen," 12 years of KLASSEKAMPEN sales and mysterious meetings with cover

names in rented meeting halls. Years with the feeling of constant supervision.

But above all, 12 years of uncontrolled wavering during which the party leadership swung the pendulum and the members swung along.

"Arild Asnes" was the story of the intellectual wavering within the movement. Dag Solstad's latest novel is partly about those who are wavering out of the party and partly about those who are remaining on board.

### The Breakthrough

To make a greatly simplified summary, the movement has gone through a series of developments:

Up to 1970-71: The student rebellion and the cultural revolution in China formed the basis for Maoistic branches in Norway. Many met the revolution while working in solidarity with Vietnam. In Sauda, Odda, at Norgas, and at the Oslo transit system, the strike movement caught fire. This was the breakthrough.

1971-73: These were the years of struggle against the Common Market and for the right of national self-government. A "leftist deviation" with argument on the people's movement was quickly put down. Instead, a "wide-front period" came about. No previously-hated "revisionist" was barred from the future united front if his attitude was national enough.

Proposals from the right were turned down. The Socialist Left sailed into the Storting with its 11 man group. The Common Market struggle did not last forever. The waves subsided. The AKP, which was formed in 1973, suddenly swung the pendulum to the left again. Sigurd Allern was replaced by Paal Steigan as party chairman.

### The Golden Years

From 1975-77 the AKP has its most intense period. Many would call it the golden age. AKP members were in the forefront of a series of strikes. KLASSEKAMPEN became a daily newspaper after faithful cadres had collected millions. A feat no one on the left in Norway has come close to before or since.

It was during this period that the whole movement, in almost quivering tension, prepared itself for the great war, the unavoidable abomination whose consolation was that with the inevitability of a natural law it would pave the way for the socialist revolution. There was light at the end of the tunnel.

The students deserted the university to "share the lives of the masses" in bread factories and in the subways.

## The Force of History

It was in this period that Espen Haavardsholm wrote his novel full of enthusiasm for Albania, "The Force of History." Dag Solstad urged his colleagues to turn back to Pelle the Conqueror, and Pedersen the high school teacher rode his bicycle on the water on the way to the island of Haa.

It was in this period that the party cadres had their lives turned inside out. With reference to the blessed Friedrich Engels, the love that was found between people in the working class was declared the only true one, free of economic considerations.

It was in this period that the party members were called upon to reject rock and to pay homage to the fiddle, according to an Albanian slogan that stated that music should be national in form and proletarian in content.

## The Decline

How long could this self-effacement last?

The workers let them down with the exception of tradition-rich industrial areas such as Odda and Tyssedal.

Youth rejected them. Recruitment among young people declined drastically.

Party members passed the age of 30. Those who had not been lucky enough to become specialized workers in the steel industry returned to the universities to get their degrees. They disappeared in departments and offices, often faced with the difficult choice between personal careers and loyalty to the movement. Most of them acquired families, apartments, cars, and growing debts.

## Literature

The belief that the AKP writers were creating a worker's literature in Norway was strong in the 70's. But things went badly nevertheless, as Dag Solstad had to admit at the party's cultural seminar at Dokka in 1980.

The working class stayed with Kjell Halbing, while progressive intellectuals preferred books about their messy private lives and basic political doubt over uplifting work on the Bolshevik revolution and its effect on the Norwegian working class.

The same Solstad later sighed heavily over the fact that the lecture neither caused a sensation nor a scandal--that it was hardly understood.

Nevertheless: In the party disagreements arose. Many left, most of them quietly.

Toril Brekke left the bread factory and wrote "The Golden Tone."

Espen Haavardshold came home from Albania and published MANAGEMENT.

Dag Solstad planned his book about the high school teacher.

Jon Michelet had long since gone his own way.

Even the festive singer, Tor Obrestad, who for years had charmed the AKP national meetings with his high spirits, moved back to Jaeren.

#### The Collapse

Are we now experiencing the collapse of the awakening and its literature?

Again, maybe and maybe not.

The international picture looks grim. The Albanian lighthouse has gone out. China is drawing closer to the Soviet Union.

Within, Stalin stands before a fall. More and more people are picking at the Leninistic party model.

The confusion is great. Party thinkers cling to the hope of forming a Norwegian socialism for the computer age.

But it will not be easy in a movement in which cultural philosophers have viewed television itself as black magic.

9124

CSO: 3639/27

## BRIEFS

PROFESSORS PETITION AGAINST PERSHING--Over 600 employees of the University of Oslo have signed an appeal asking the Storting not to grant money for new nuclear missile complexes in Europe. "We were against the new missiles in 1979, and we are against them today. Neither East nor West has a need for new intermediate range ballistic missiles. Both sides have enough weapons to destroy each other many times over," the appeal says. The signers urge the Storting to resolve not to take part in the building of missile complexes and that Norway's contribution to NATO's infrastructure program be correspondingly reduced. [Text] [Oslo ARBEIDERBLADET in Norwegian 2 Nov 82 p 2] 9124

CSO: 3639/27



## POPULAR ALLIANCE, CONVERGENCE, UNION PARTIES MAY COOPERATE

Madrid DIARIO 16 in Spanish 6 Nov 82 p 9

[Article by Correspondent Enric Sopena]

[Text] Barcelona--Catalonian changes in the results on 28 October are beginning to be noted. Popular Alliance (AP) Party claims to work with Convergence and Unity (CiU) Party. Pujol's precarious position in the autonomous parliament and municipal elections could become the strongest arguments in that not yet fully defined closeness.

Popular Alliance in Catalonia has again sung the siren's song to Convergence and Unity. "We are going to try making relations with us closer," said Miguel Angel Planas, the strong man of Popular Alliance in Catalonia, "since it is desirable that the parties we defend, that in the same societal model we be close to one another even if we do not share CiU's ambiguity as regards nationalism."

The closeness of relations announced by Planas does not appear gratuitous. Convergence may need Alliance collaboration in double measure, being mindful of the notable Fraguist advance achieved in Catalonia on 28 October. Popular Alliance went that day from one lone deputy to eight in Madrid. And it also went from a force with no influence to Catalonia's third party.

The double measure indicated is circumscribed, on the one hand, by the environment in the autonomous parliament and, on the other hand, by the upcoming municipal elections. As for the Chamber, presided over by Heribert Barrera, the insistent rumor according to which some Centrist-UCD [Democratic Center Union] deputies were probably about to join up with Popular Alliance, has got to surface. "If these deputies do come," Planas has decided, "they will be well received."

### Loyalty

Even though a recent meeting of the Centrist parliamentary group confirmed the loyalty of its deputies, it did not escape any observer that such a possibility could become an approaching reality. Being thus, Popular Alliance--outside parliament up to now on the Catalonian level--would have a group of deputies with decisive power in the complex balance, even more unstable, on which Pujol attempts to continue to govern.

The chairman of Generalidad (the autonomous Catalanian government) would wish that the parties that have given him their support—Centrist-UCD and Esquerra Republicana [Republican Left]~~—~~would close ranks around him, even in exchange for participation in the Executive Council. But facing him is the suspected Centrist break towards Popular Alliance and the internal problems that are taking place in the very bosom of Esquerra Republicana.

#### Mayorship

In a parallel sense, Generalidad's chairman has had to listen publicly to CDS' [Democratic and Social Center] refusal to take part in the pact. Pujol knows that, without CDS deputies in parliament, his majority in government is endangered. The CDS spokesman, Santiago Guillen, has already stated, without counting on socialists, that his group is not willing to be the guarantor for what he calls continuism in autonomous politics.

The second dimension for rapprochement between AP and CiU, as stated, is in the municipal sphere.

Only the presence of a single candidate for the mayorship of Barcelona, representing the Center-Right, would guarantee certain possibilities of success against a Narcis Serra who already appears to have rejected on sight the portfolio of Defense, among other reasons, that his absence from the town council a few months before elections could mean that the socialists might lose their municipal control.

CiU has ratified—as LA VANGUARDIA revealed yesterday—Ramon Trias Fragas as its "mayorable" candidate. It does not seem difficult, bearing in mind the conservative-liberal ideology of the current "conseller" of Economy and Finances, that Popular Alliance would opt not to field a candidate. That, notwithstanding, would be equivalent to certain counterbenefits implied in Miguel Angel Planas' words.

Concerning the Esquerra Republicana crisis, it has been reduced—according to a report appearing in EL PERIODICO—as a result of the electoral setback.

9908

CSO: 3548/29

## SIXTEEN PERCENT DEVALUATION BECOMING DEBATE ISSUE

## Opposition Parties Attack Palme

Stockholm DAGENS NYHETER in Swedish 28 Oct 82 p 6

[Article by Dick Ljungberg]

[Excerpt] If there had been a nonsocialist government, it too would have been forced to devalue the krona. That is quite simply the bill to be paid after 6 years of disastrous nonsocialist policy. So claimed Prime Minister Olof Palme during Wednesday's general political debate as he defended himself against nonsocialist accusations that the Social Democrats had totally reneged on their election promises and were now lighting an inflationary fire threatening the entire economy.

It was the first big battle between the party leaders since the election and the change of government. And it was dominated entirely by the 16-percent devaluation of the krona.

The repartee was almost the same as when the nonsocialist governments put through their devaluations, except that the roles were reversed. This time, it was Palme who was promising that the measure would give Sweden a brighter future, while the nonsocialists were describing how hard inflation would hit wage earners, families with children, and so on.

Another common theme in the nonsocialist criticism was that the new government only wants to cut down on the private sector, while the public sector will be allowed to grow, and that the devaluation has seriously harmed Scandinavian cooperation.

Palme said: "Our devaluation is an offensive measure. The nonsocialist devaluations failed because they were made with our tails between our legs and were not followed up. This devaluation provides elbow room for giving industry and jobs a boost."

"It looks more like a devaluation made while carrying our heads under our arms," answered Liberal Party leader Ola Ullsten, who, like Ulf Adelsohn (Conservative Party) and Thorbjorn Falldin (Center Party), naturally denied that the devaluation was caused by nonsocialist policy. It was the Social Democrats themselves

who had caused the concern over the currency because their election promises could not pay their way, and the market realized it.

Palme had to put up with 2 hours of intensive fire--even Lars Werner, leader of the VPK [Left Party-Communists], was critical--before coming to the rostrum.

He said: "It has been said that I was grumpy in the opposition. But looking back on it now, after listening to the splenetic remarks by the three non-socialist party leaders, I must have stood out as a ray of sunshine."

But it was Ulf Adelsohn who led the assault at 10 am. According to him, the elbow room talked about by Palme during the election campaign has become a belt that is being drawn much more tightly around the individual's neck than it has been by anyone in modern times.

He said: "The only purpose of the election promises was to get the Social Democrats back into the Chancery. When that was accomplished, the irresponsible policy of promises during the election campaign could be put aside."

#### EC Protest Sharper Than Expected

Stockholm DAGENS NYHETER in Swedish 28 Oct 82 p 8

[Article by Mats Hallgren]

[Text] Sweden's devaluation raises the question of what constitutes proper conduct when it comes to altering exchange rates. Sweden's decision may jeopardize international order in the sphere of foreign exchange.

Those observations as well as others that are equally cutting are found in an internal EC document on the Swedish devaluation. DAGENS NYHETER is able to disclose that document today.

The document was put together by the EC Commission's Directorate General of Economic and Financial Affairs. Its title is "Assessment of the Devaluation on 8 October 1982 of the Swedish Krona."

The document will form the basis of the economic (and political) judgment of the Swedish devaluation that is now taking place within the EC Commission.

A source in the EC Commission confirmed to DAGENS NYHETER that the document is genuine, but emphasized that it is an internal working document and was not intended for publication.

The document's reasoning and its tone show that criticism within EC headquarters of the Swedish devaluation is stronger than anything that has appeared before.

#### Eight Points

The Swedish devaluation, its background, and the Swedish justification for it are set out in eight points.

Under the first point, it is noted very briefly that on 8 October 1982, Sweden's new government announced a 16-percent devaluation of the Swedish krona for the purpose of restoring competitiveness to Swedish industry both at home and abroad.

The measure is part of a comprehensive program for overcoming the economic crisis, one of whose effects was a 3.2-percent unemployment rate at the end of September.

The document says that except for a price freeze, the rest of the program has not yet been spelled out.

#### No Deterioration

It is noted under point 2 that this is the second devaluation in just under 13 months (the first--a 10-percent devaluation--occurred on 14 September 1981). The EC writes that it can be asked how this new devaluation can be justified on the grounds of changes in the Swedish economy over the past year.

The document then tries to show that there has been no deterioration in the Swedish economy drastic enough to justify a 16-percent devaluation.

On the contrary, says the commission, developments in Sweden have been more favorable than those in other industrial countries.

The rise in wage costs has slowed thanks to a moderate wage agreement for 1981 and 1982. Real wages have dropped perceptibly (4 percent in 1981 and 2 percent in 1982), and this has improved industry's profitability. At the same time, the inflation rate on an annual basis has dropped from 14 percent in August 1981 to 8 percent in August 1982.

#### Trade Surplus

The document says that foreign trade has also developed very satisfactorily. The trade balance will show a surplus this year.

The document also points out that as recently as July, the OECD--the joint organization of the industrialized countries--was predicting satisfactory developments for Sweden both in inflation and in foreign trade. According to the OECD, the Swedish economy's competitiveness has improved markedly.

That situation, writes the EC Commission, should enable Sweden gradually to win back the market shares it lost during the 1970's.

Against that background, the new devaluation cannot be viewed as justified. In any case, the size of the devaluation is not reasonably proportionate to the economic problems.

Under the eighth and last point, the international and theoretical aspects of the Swedish measures are discussed.



It is noted that Sweden has caused difficulties for the other Scandinavian countries.

On the theoretical level, the commission writes that the Swedish decision raises the question of what constitutes proper conduct when it comes to altering exchange rates. It also notes that in this connection, "proper conduct" does not allow a country (which in any case has less unemployment than most of the others) to export its problems to other countries.

Failure to respect those rules may set in motion a number of competing devaluations and jeopardize international order in the sphere of foreign exchange, it says.

The document concludes with the following statement: "In light of this, the devaluation that has been decided on by the Swedish Government sets a very dangerous precedent for the entire international community."

#### Paper Sees Start of Bitter National Debate

Stockholm DAGENS NYHETER in Swedish 28 Oct 82 p 2

[Editorial by Olle Alsen: "A New Debate on Betrayal?"]

[Text] Politics is the art of the possible. What seems politically impossible can usually be accomplished only by politicians and parties least expected to accomplish it.

It took a General De Gaulle to set Algeria free, war hero Eisenhower to break off the Cold War, and communist-eater Nixon to thaw relations with Communist China. Only those who are not easily suspected or easily accused of ideological betrayal have the leeway and sometimes enough guts to accomplish extraordinary operations and such examples of castling.

We have seen a little of this in Sweden as well. The nonsocialist government was responsible for socialization, in the sense that it nationalized more of the economy in 6 years than the Social Democrats had managed or dared in over 40 years. And now the Social Democrats are putting through a devaluation that will, in one fell swoop, increase company profits, reward exchange speculators, start a new inflationary fire, reduce real wages (by 6 or 7 percent according to Falldin's statement during the debate in Parliament, or by "only" 4 percent according to Minister of Finance Feldt), and severely test the tolerance of our neighboring countries and the EC. It will also be rounded off with a higher value-added tax and higher local taxes.

And the wage earners will not be allowed compensation for it in any form, because then we would miss our big chance, and the big one-time devaluation would--in Ullsten's words--start several years of unparalleled inflation.

If it is true that during the talks at Bonnier House, the partners in the labor market consistently showed the understanding and loyalty claimed by Olof Palme during the debate in Parliament, then the wage earners' organizations have a

very great capacity for taking punishment. It would also confirm that only the "party of the wage earners" can lash the wage earners and still make them believe that spring is just around the corner.

If industry and the employers taking part in the talks were naturally more receptive to the idea of a devaluation, that is understandable. (VPK member Jorn Svensson even surmised in Parliament that the whole thing was the usual plot by international financial capital, which had persuaded or compelled the Social Democrats to get a stranglehold on the wage earners.)

Exports will get a huge free boost, of course, while domestic industry will get a protective wall, the firms will have a greater chance of making a profit, and stockholders will get an extra bonus if the operation succeeds. But doubts about it certainly do not exist only in the political opposition. According to VECKANS AFFARER, 20 of the 25 largest export firms say that the devaluation is too big, and only one of them will try to extract the full benefit of the devaluation in the form of greater shares of the market!

Increased demand for our export goods is scarcely likely to make up for the loss of purchasing power here at home, and then more unemployment will be a fact, said Thorbjorn Falldin. If the government enjoys as much understanding among the wage earners as it claims, the reduction in real wages ought to have been possible without the roundabout method of homemade inflation.

"Ha!" exclaimed Palme, "A corresponding cost decrease for industry would have required a 27-percent reduction in wages." Whereupon Falldin wondered if that would also be the actual loss after the roundabout procedure of devaluing, increasing the value-added tax, and so on. To the ordinary layman, that was certainly not the only opaque numbers game in Parliament that day.

According to Palme, a devaluation could have become necessary for Sweden anyway, and a nonsocialist government could also have been forced to devalue again. But otherwise, it seems to be the wrong devaluation at the wrong time in a wrong phase of the worldwide economic situation--if not an out-and-out worldwide depression. We have not devalued with our tails between our legs, Palme asserted. No, but with our heads under our arms, said Ullsten. Ullsten was so fiercely effective and full of plays on words in his rejoinders that it seemed he wanted to make a sort of grand finale out of what was possibly his last general political debate as party leader.

Swedish politics has gotten a new debate about betrayal now that the Social Democratic elbow room has turned out, at least at first, to be full of flying belt-tightening measures. The voters were duped, said Falldin. Ulf Adelsohn gave politics a new concept--"subordinate-clause morality"--by which he meant the hidden reservations slipped into the election campaign by Palme.

"Betrayal has become an abused and dangerous word," said Adelsohn, "but now many people are turning it against the very man who introduced it into our political debate."

To betray means to be able to keep one's word but not to want to. For Falldin, it was just the opposite: on the issue of nuclear power, he wanted ardently to keep his word but was completely unable to, and it was with anguish that he chose to do the best possible instead of washing his hands of it and winning honor but losing the whole thing. For doing so, he was persecuted as a betrayer, not by those criticizing nuclear power but, strangely enough (or not so strangely), chiefly by Social Democrats and other supporters of nuclear power.

For an outsider, it is hard to know what real choices Palme had on the issue of devaluation. He has not betrayed any promise never to devalue. If he already intended during the election campaign to devalue, he certainly could not have said so. But he skillfully succeeded in keeping such suspicions out of people's minds. And that certainly helped in the election.

11798

CSO: 3650/30

## PAPER VIEWS PALME'S HANDLING OF DEVALUATION, ECONOMY

Stockholm SVENSKA DAGBLADET in Swedish 19 Oct 82 p 2

[Editorial: "The World and Us"]

[Text] Olof Palme's biggest problem is that the world looks like it does and not the way it ought to.

It has been exactly 1 month today since a long election campaign resulted in the Social Democratic victory that put Olof Palme back in the prime minister's office. Anyone who remembers the election campaign can easily see that Palme won the election by holding out to the Swedish people the prospect of better times and by discrediting the policy pursued over the past 6 years and particularly the government's competence during those years.

So far we have seen very little of the policy on which Palme won the election.

Who heard any talk during the election campaign about Swedish wage earners having to put up with a drastically lower standard of living? Who heard any talk during the election campaign about sharply increasing inflation or about the undermining and postponing for at least a year of inflation-proof pensions? Who heard anything other than that not even a comma was to be changed in the tax agreement from the "miraculous night"?

Things have turned out a little differently.

That is much to be regretted. Because of course, it would have been better for the Swedish people if the Social Democrats had been able to fulfill the expectations that the voters who put them back in power had built up on the basis of what Olof Palme, Sten Andersson, and other spokesmen for the big party had to say about the future.

But the future turned out not to be the one Olof Palme expected--or at least the one he had talked about. Those who claimed during the election campaign that the Swedish people must look forward to new economies and sacrifices were superciliously sneered at.

"The nonsocialists had their chance. They couldn't do the job." That was the message on a big Social Democratic election poster. It may become a classic

sooner than anyone could have suspected on 19 September--but with just a slight change in wording.

The reason is that the nonsocialists lived in the same tight-fisted international climate that the Social Democrats are now being forced to live in. It was a fine achievement by the Falldin governments to hold up employment the way they did under the difficult circumstances.

Unfortunately, Olof Palme consistently failed to criticize that aspect. Instead, Palme dwelt on the limited Swedish perspective without looking beyond our country's borders. Now he will regret it.

We are not thinking so much of the criticism of the devaluation that is coming chiefly from our Scandinavian neighbors. The devaluation has rightly come to be construed in Norway, Denmark, and Finland as an unfriendly act--and as one not characterized in the least by the "solidarity" at which Palme, of course, is such an expert in other respects. The upshot is, of course, that Sweden is simply trying to export basic problems of economic imbalance to other countries.

No, what we are thinking of primarily is the fact that in coping with the employment problems in Sweden, Olof Palme's government is not going to benefit from any pace-setting by the stagnating economy that characterizes the entire industrial world and is especially obvious in West Europe.

That is obviously of crucial importance--even after the devaluation of the krona--to Palme's possibilities for keeping employment up in Sweden. The EC Commission is not expecting the economies of the 10 to grow at all in 1982--and that is a drop since last summer alone of 1.5 percent. For 1983, economic growth in the same region is expected to be only 1 percent, and that, too, is a sharp drop from earlier expectations that it would be over twice that.

Those are the facts.

With every second industrial worker in Sweden employed in the export industry (chiefly dependent on exports to the OECD countries, which of course also include countries as vital to our exports as Norway, the United States, and Japan), it will not do to live on visions--or, even worse, illusions--concerning the way the world ought to be constituted.

If foreign countries do not give us the pace-setting we need for improving the balance in our domestic economy, we should at least avoid making things worse by bad decisions here at home.

The experiences from 1974 and 1975--with their disastrous effects on industrial employment in 1976 and thereafter--ought to be warning enough. But no--it seems as though the Social Democrats, cheered on as always by the LO [Swedish Federation of Trade Unions], have not understood in the least that there is a connection between wage and cost levels and employment.

When LO secretary Rune Molin tries, as he did in Monday morning's DAGENS EKO, to maintain that even under a Social Democratic government, the LO must "force the pace of employment," it provokes a laugh more than anything.



And in any case, to start demanding "profit sharing" when any firm with abundant profits is a grace to be quietly prayed for does not give evidence of deep insights into the business community's real problems. How many new jobs will be produced by profit sharing on the LO model? If the LO's leadership is so good at finding new projects that can create more jobs, why does it not immediately say where, when, and how so that the firms can begin investing tomorrow?

When is the LO going to open its own "investment clinic" on Norra Bantorget?

There is now a good chance that things will be made worse in the area of taxes as well. This involves more than the many higher new levies that the firms will start paying after the start of the year. How many jobs will that create--except in the government tax administration?

Olof Palme and Kjell-Olof Feldt will start talking with Thorbjorn Falldin and Ola Ullsten tomorrow about whether anything in the tax scales should be changed, even though just a few months ago, the possibility of changing anything at all was ruled out. The middle parties are saying that the conditions have now changed because of the devaluation.

But those conditions would not have changed if full protection against inflation, which the Social Democrats managed to abolish, had been preserved.

What will the middle parties do now? Go along with new compromises? Or back out of the entire agreement?

It would be presumptuous to give the Center and Liberal Parties advice on the impossible situation that they have created for themselves. But still, is there not some truth to the idea that Social Democratic high-tax and tax-increase policies are best pursued by the Social Democrats themselves (that is, with the help of the VPK [Left Party-Communists])?

11798

CSO: 3650/25

## PAPER VIEWS DEVALUATION AS CALCULATED RISK BY PALME

Stockholm DAGENS NYHETER in Swedish 21 Oct 82 p 2

[Editorial by S.N.: "The Gamblers"]

[Text] Tage Erlander said that the 30-percent devaluation against the dollar in 1949 was the most serious mistake he had ever helped to commit as prime minister.

Olof Palme's and Kjell-Olof Feldt's devaluation is being described by many as a gamble. Berndt Ahlqvist (Social Democrat) talks in OSTRASMALAND about "a game with very high stakes." The LO [Swedish Federation of Trade Unions] newspaper says that the devaluation is a daring attempt: "If the attempt succeeds, it will probably be due more to luck than to skill."

One must respect politicians who act daringly to achieve an important goal. Taking risks is not wrong in itself. When the middle parties reached an agreement with the Social Democrats on a tax reform in the spring of 1981, they were undeniably taking a considerable risk. Maybe they are sorry now, but they have nothing to reproach themselves for.

The new government's risk-taking is of another kind. The devaluation has the flavor of a gamble and a fast fix. Failure will not mean just that Sweden will continue to go downhill economically and that confidence in the government and the Social Democrats will decline. The serious thing is that because of its inflationary effects, the devaluation will erode the mutual trust and social solidarity that every government and every party depends on.

Devaluation is sometimes necessary as a last resort, but it must not be forgotten that a devaluation always relies for its effect on the illusion of money. The one who devalues does so on the assumption that people, firms, and organizations will regard money amounts as such rather than looking at their real value. A sacrifice that would not be accepted if it were openly requested becomes acceptable, it is assumed, if it comes sneaking in as inflation. So there is a touch of manipulation in the government's attempt to create maneuvering space for itself through the 16-percent devaluation.

The nonsocialist governments devalued the krona twice in 1977 and once in 1981. They were forced to do so by external circumstances, and they devalued by the

lowest percentage possible. For as long as possible, they tried to solve the cost problem by other means.

The Palme government, on the other hand, has chosen devaluation as an offensive strategy--as a means of creating maneuvering space for itself. It is generally considered, both inside and outside Sweden, that 16 percent is conspicuously too much.

The measure has already shaken confidence in various quarters. The Norwegian minister of finance quotes Kjell-Olof Feldt's statement to the Nordic Council in 1977: "An attempt ought to be made to establish rules and agreements to minimize the danger of what are known as competing devaluations among the Scandinavian countries." What has the Swedish Government done now except compete through devaluation?

Most people believe that the tax agreement with the Center and Liberal Parties has now been gambled away. The government will be pressed by the LO to allow inflation to undermine the reduction in marginal taxes. The LO recognizes no obligation to the two middle parties.

But for the government itself, the touchiest relationship involving trust is not with the surrounding world or the nonsocialist parties, but with the wage earner organizations. The Social Democratic fund of good will with the union is that party's most valuable asset. The ability to prepare for calm and moderate wage negotiations is the party's chief advantage over the nonsocialists.

But that asset must be protected, and it is precisely from that standpoint that the devaluation appears most risky. There is perhaps a chance of a moderate wage agreement for 1983 despite the expected additional inflation. But when the price and tax increases take effect and profits begin to rise at the same time in the export firms, it will be hard to prevent wage drift. We may wind up in the same situation as in 1969-1970 and 1974-1975. Local overheating in certain industries may set in motion a process that no one will be able to bring under control. In the 1984 wage negotiations, all salaried employees and those paid on time rates will seek compensation for the wage drift that occurs among industrial employees in 1983.

A government that deliberately triggers that well-known and hopeless inflationary spiral cannot retain the confidence of the union organizations indefinitely. The political ties will not stand the strain. The most puzzling thing about the devaluation is that Palme and Feldt dared to expose themselves, the party, and the country to such a risk. If they fail, they will be politically bankrupt.

11798

CSO: 3650/25

## OBSERVER DISCUSSES MODERATE'S ADELSON AS OPPOSITION CHIEF

Stockholm SVENSKA DAGBLADET in Swedish 17 Oct 82 p 2

[Commentary by Axel Waldemarson]

[Text] "True enough, experts and researchers are playing a constantly greater role in the political decisionmaking process, but not in the political parties" ("Tenekgrupp 99").

In "Party Strategies in a Multiparty System," Gunnar Sjoblom establishes the following goals for a party:

1. Implementation of its program: The decisions reached by Parliament must be in keeping with the party's views and assessments.
2. A strong position: The party must have the greatest possible influence in Parliament and the government.
3. Vote maximization: The party must have the greatest possible number of votes.
4. Party unity: The party must preserve the greatest possible unity among its members.

On that basis, it can be said that the Social Democrats won the whole pot in the parliamentary elections. Stresses may arise on one point, however: it is not certain that all of the party's voters will view the policy implemented after the election as being in keeping with the one that was offered during the election campaign.

It is also easy to see how the Conservatives satisfy points 3 and 4. They can certainly not--see point 1--push through their policy in Parliament, but they can pursue the same policy after election day that they were pursuing before it.

It is a fact that for both the Social Democrats and the Conservatives, their success and growing strength will be followed by higher expectations and increased demands. In the case of the Conservatives, those expectations and demands will not be diminished by the fact that they stand out as the party that was right.

The expected collapse of the promised Social Democratic policy came even before it was actually executed. The result was that the tax reform also came crashing down earlier than expected, and the psychologically positive effects on the Conservatives can hardly be exaggerated. On the submarine issue, the Social Democratic jeering on the campaign trail has stiffened for obvious reasons into an unsightly grimace.

How will Ulf Adelsohn, now the opposition leader, handle his new starting position?

#### In Letters of Fire

It is just as urgent for the Conservatives as it is for the Social Democrats to come up out of the starting pit quickly. The Conservatives have their sights set on the 1985 election year. For the party leadership, therefore, it should be written in letters of fire that 1985 is really only 3 years away. For both Palme and Adelsohn, that time frame is going to appear increasingly tight with every day that passes.

Adelsohn's operative instruments are party, parliamentary group, and policy. The task becomes that of extracting the maximum effect from those three units. If it is to happen, the party leader must have the utmost authority over each of them. This does not mean, however--and I want to emphasize this--that Adelsohn may share all three tasks at the same time.

The Conservatives have a strong party organization, although there is still too much election apparatus and too little spirit of community. But the winds of change have been blowing over the Conservative organization. Its social restructuring is vast. The strong organization in Stockholm has what is usually called a full inner life. As finance commissioner, Adelsohn was extremely anxious to see that decisions were firmly rooted in the local Conservative associations. I also have a definite feeling that the party apparatus in Stockholm is probably as strong as the capital's famous local Social Democratic organization.

We learn from studies in Norway that party organization is of crucial importance to the strength of the rightwing movement. The fact is that the Norwegian Conservative Party has more members than the Norwegian Labor Party!

#### Mirror Image

Around the party as a nucleus, there is now a 1.3-million strong Conservative movement. If it is to fulfill its function, the party must be a mirror image of that movement. Only then will it be able to radiate the same broad popularity as the Conservative Party in Norway. In the course of a few hectic years as chairman, Erling Norvik built up the new Norwegian Conservative Party, while Kare Willoch handled policy brilliantly.

For my part, I am convinced that Adelsohn has many of the qualities that made Norvik so suitable for the task of building his party. Since Adelsohn will be responsible for both the parliamentary group and policy, ambitions will have



to be somewhat pruned. In other words, even if the party secretaries grumble, Adelson will have to give priority to political leadership. This means that one of his first tasks will be to find party "builders," since neither of the other two members of the presiding committee is suited to that role.

That task, incidentally, is only one example of the overhaul of personnel resources that must take place. I have a definite feeling that the staff closest to Adelson must be expanded. Here, too, it is important that the movement surrounding the party be characterized by the Conservatives. What the party needs is stronger creative flexibility, less restraint on freedom, and more bold vision than cautious safeguarding of the gains achieved.

#### Competent in the Essentials

The parliamentary group now looks once and for all as though it is a product of traditional nominations and the voters' choice. The fact remains that after two big election successes, the group has improved in ability and vitality. There is a lot that a party leader can squeeze out of his group, but there are also tasks for which it is of no use.

A minority party must offset the majority's predominant weight in the voting by being competent in the essentials. It is not going to win in the votes taken in Parliament. A British member of the House of Commons once confessed that several speakers had convinced him that his party was wrong in substance, but even so, they did not convince him that he should vote with the other party as a result!

For the Conservatives, with their considerable strength in Parliament, it is most important that they formulate a coherent policy from issue to issue. The Conservatives have to play the entire political field and, as the opposition, work out the policy that they can put through when they are in the government. It is an advantage that the framing of their policy can be done more freely than under the constraints that a coalition always involves. It was not for nothing that French politician Guy Mollet described a coalition as a trick by which one can wear one's right shoe on one's left foot without getting corns.

#### Experts Needed

If they are to work out that policy, the Conservatives must attract the experts that they do not currently have. That is not a contemptuous statement. It is unreasonable to expect a party in the opposition to have access all by itself to the expert knowledge that exists in all areas of society. This is where fruitful cooperation between politicians and experts, which in many cases has paid good dividends, comes in. It is good policy to devote quite a few of the new resources to increasing competence and quality.

After the many years we spent together in the Stockholm City Hall, I have great respect for Adelson's ability to correctly use the expertise that is available to him in such great measure. Because it is and will remain the job of politicians to incorporate the findings of experts into party policy.

I will come back to Adelson's political tasks at another time, but in conclusion here, it will have to suffice to recall his solid foundation--the rightness that gives the individual the opportunity to mold himself instead of being riveted to the uniform pattern suited to the collective.

11798

CSO: 3650/25

## BRIEFS

**MATRA HELPS BRITISH SATELLITE**--The timetable for the schedule of the British military telecommunications satellite, Skynet, has been set with an expected launching in 1986. This project, developed by British Aerospace and Marconi, under a 70 million pound contract, will reuse the ECS platform for civil European satellites designed as part of the European consortium MESH [Matra, Erno, Siddelex, Hawker]. In this respect, Matra will play a sizable role in the program. The French firm will be furnishing the attitude control system of the satellite. [Text] [Paris ELECTRONIQUE ACTUALITES in French 8 Oct 82 p 14] 9720

CSO: 3519/66

## WOERNER ON FLEXIBLE RESPONSE, CONVENTIONAL DEFENSE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 12 Nov 82 p 7

[Article by Adelbert Weinstein, signed to press Washington, 11 November 1982: "Precision Weapons for Classical Defense. Discussion With Minister of Defense Woerner"]

[Text] His first visit to the U.S. capital as West German minister of defense had served to confirm the opinion that he had earlier formed as the military affairs expert of his party: "The united West, NATO, does not require a new security doctrine. The strategy of flexible response does not need any change. What is needed, however, is an adaptation of operational planning to modern weapons technology." This was the statement of Defense Minister Woerner to this paper after his recent consultations in Washington. The strategy of deterrence is based militarily and politically upon three elements: first, the strategic nuclear power of the United States; secondly, tactical nuclear weapons systems and third, the traditional defense elements, that is, the divisions, air force squadrons and the classical surface naval forces. "Yet the conventional armaments of the Atlantic Alliance, when compared to the superior military might of the Soviet, are not sufficient to carry out the function assigned to them in the so-called Triad system."

Since a strategic defense capability, like a chain, can only be as strong as its weakest link, remarked Woerner, inadequate conventional armaments endanger the entire security concept of the alliance. He insisted that a change would have to be made in this respect. "Classical armaments must be strengthened. In saying this, I am not thinking of an increase in the number of divisions or aircraft or ships. What we have to do is to exploit the successful technical breakthrough of our defense industry in the area of weapons production."

He sought to stake out this area under two general headings. The first of them he indicated as precision weapons. These are modern weapons systems whose accuracy and penetration power are extraordinary and which could replace tactical nuclear weapons. The other general heading he termed the Rogers plan. What was meant were the planning concepts of the commander of NATO forces in Europe, General Rogers, which envisioned the deployment of precision weapons in the classical defense system of the alliance. "It is

possible, therefore, to speak of a Rogers plan whose goal is, through the use of operational means, for example, the introduction of these precision weapons into NATO forces, to make conventional forces, in terms of quality and striking power, a credible component of deterrence strategy."

Woerner stated that he did not want to conduct a tactical sand table exercise in the course of the interview. Yet he did want to give evidence of his optimism by using a number of examples to show that the Rogers plan had given a new dimension to NATO's classical defense concepts. He admitted to his own bias on the issue, since he had participated in the creation of the Rogers plan. This, he said, would be no handicap for its objective presentation. Nuclear deterrence would not be replaced by conventional weapons and relegated to a different stage within a strategy of flexible response. The shadow of nuclear weapons would continue to be cast over security policy even with the Rogers plan. Yet at that point where the two military blocs lie within the range of each other's infantry weapons, the West would have available to it a military capability which would not only delay the so-called first-strike employment of nuclear weapons but even make such an action unnecessary. "We, by the employment of modern armaments, can raise what is now an intolerably low nuclear threshold and still be capable of credible deterrence."

In military-technical terms, said Woerner, this would mean that the combat zone of any possible aggressor would be threatened, even in its rear areas, by precision weapons. By deploying such weapons it would be possible to cut off the first wave of Warsaw Pact forces from the successive second and third waves. The aggressor's assault units would be isolated from their supply lines and from their reserves. The aggressor's air force would be destroyed by precision weapons as soon as they reached the operational assault zone. These indications would suffice, he said, to give the gist of the Rogers plan. In political terms, defense would be carried out in the forward areas; in military terms, through vigorous forward defensive action. Strategic deterrence would be achieved by the destruction of mobile aggressor forces, using non-nuclear weapons before the conflict would escalate into a holocaust. Nuclear missiles such as the Pershing II, deployed as medium-range missiles would, of course, serve to cover the strategic rear areas of the Warsaw Pact. In addition, the super-weapons of the United States, at sea and in the air as well as intercontinental missiles, would reinforce the threat. "There is no clearer way to say that the Rogers plan does not mean the introduction of any new strategy. What is clear, however, is that operational planning and the conduct of operations would be changed." Present NATO doctrine would thereby become more flexible. "But this also means that our security policy would become more flexible. Domestically, because we would be able to counter nuclear pacifism in the West by raising the nuclear threshold. In terms of foreign policy, because we would be able to negotiate with the Soviets with greater calm on the issue of disarmament."

Minister Woerner then raised the issue of such a program's financing. He stated that he would content himself with a brief response on this score.



Rearmament could only be undertaken through medium-range financing. It would also require the abandonment of certain other armament programs already planned and approved for other military sectors. "It will even require an increase in defense spending. But the alternative put simply is--deterrence or the loss of freedom."

9878

CSO: 3620/81

## APPROPRIATIONS, PROGRAM AUTHORIZATIONS FOR 1982 CUT

## Equipment Affected

Paris LE MONDE in French 22 Oct 82 p 35

[Article: "The Ministry of the Budget Cancels Program Authorizations and Payment Credits Planned for 1982"]

[Text] The Ministry of the Budget has canceled Fr 22.1 billion in program authorizations and Fr 7.2 in payment credits from the 1982 budget (JOURNAL OFFICIEL of 19 October).

We mention that at the time of the first devaluation, in October 1981, the government had decided to freeze some Fr 40 billion in program authorizations and some Fr 15 billion in payment credits as a sign of rigor in the matter of public expenditure. This reserve has been partly consumed--in particular, the credits for housing (all of them used), research, defense. In the end, about half of the credits frozen in 1981 will have been cancelled. The end-of-year adjustment finance law, to be published in a few weeks, will express these data and an overall state-budget deficit that should come in at about Fr 100 to 105 billion.

(In the main, the cancellation of program authorizations and payment credits decided on by Mr Fabius relates to the equipment of the three French armed forces in 1982--that is, Fr 13.4 billion in program authorizations and Fr 3.2 billion in payment credits under Title V [capital expenditures] of the finance act for the Ministry of Defense. On the practical level, this cancellation takes the form of abandonment of the order [cf LE MONDE of 3 and 4 October] for 25 Mirage 2000 combat planes, 42 ANG [New-Generation Atlantic] antisubmarine-warfare planes, 47 AMX-10 RC armored reconnaissance vehicles and 26 AUF-1 155-mm artillery batteries.)

## Majority Officials Protest

Paris LE MONDE in French 23 Oct 82 p 11

[Article by Jacques Isnard: "Majority and Opposition Deputies Protest Cancellations of Credits"]

[Text] Meeting in the National Assembly's Defense Committee on Wednesday 20 October, many opposition deputies, and in particular, Mr Yves Lancien, RPR

deputy from Paris, in the name of his party, addressed a solemn protest to the minister of defense. They reproach Mr Charles Hernu with having "thumbed his nose at the Parliamentary representation." The day before, the minister of defense had given it to be understood that he was trying to unblock the military credits "frozen" by the prime minister in 1982, at the very time that the JOURNAL OFFICIEL of Monday and Tuesday, 18 and 19 October, was announcing the definitive cancellation of the credits.

"One of two things must be true," the RPR deputy declared; "either Mr Hernu was aware of the facts and did not tell the truth, or he was not aware of them, and that is no better." In Mr Hernu's entourage, it is indicated that while the minister of defense hardly had any more hope about the fate of his credits, he found on his desk, on his return from his hearing with the committee, a letter from the prime minister, dated Monday 18 October, informing him of Mr Mauroy's decision to cancel Fr 13.441 billion in program authorizations and Fr 3.253 billion in payment credits originally planned for 1982.

This affair began at the start of the year when the prime minister, wishing to impose on the state a temporary "freeze" on certain equipment expenditures, blocked, under the heading of the Ministry of Defense, Fr 18 billion in program authorizations and Fr 4.6 billion in payment credits (LE MONDE of 3 February). On 17 July, Mr Mauroy authorized the armed forces to unblock Fr 4.6 billion in program authorizations and about Fr 1.2 billion in payment credits in order to finance certain nuclear expenditures (LE MONDE of 22-23 August).

Mr Hernu, questioned by members of Parliament several times on the consequences of this "freeze," replied that he hoped to be able to give, in due time, definitive information on the fate in store for the rest of the credits still blocked (i.e., Fr 13.4 billion in program authorizations and Fr 3.4 in payment credits).

In reply to a new question from Messrs Robert Aumont and Jacques Huyghes des Etages, Socialist deputies from, respectively, Aisne and Nièvre, Mr Hernu announced to the members of the committee, on Tuesday 19 October, his intention to respond before the National Assembly on Friday 12 November, when the deputies, in plenary session, will examine the proposed defense budget for 1983.

But on the very day of Mr Hernu's hearing before the committee, a decree by the minister of the budget, Mr Laurent Fabius, published in the JOURNAL OFFICIEL of Monday 18 October and Tuesday 19 October, pronounced a series of cancellations of public credits for 1982, among which are the Fr 13.4 billion in program authorizations and Fr 3.2 billion in payment credits taken away from the Ministry of Defense. This decision, signed by Mr Fabius, is founded on a 1959 ordinance according to which "any credit that is not appropriated for a purpose during the year may be cancelled by decree of the minister of finance upon agreement by the minister concerned."

The cancellation of these credits will make it necessary to suspend the order for 25 Mirage 2000 combat planes, 47 AMX-10 RC armored reconnaissance vehicles and 25 AUF-1 155-mm artillery batteries and to delay the beginning of manufacture of 42 ANG (New-Generation Atlantic) maritime-patrol planes (LE MONDE of 3 and 4 October). Only a sum of Fr 200 million in payment credits was able to

be recovered in extremis, for the Air Force (which is experiencing a financial crisis), the Navy (for fleet maintenance) and the Army (to honor the order, planned for 1982, for 82 forward-area armored vehicles [VAB's]).

With regard to the cancellation of 1982 purchase of the 25 Mirage-2000 planes, the minister of defense specified that a year without an order would not endanger the French Air Force in the 1990's. If the economic recovery is confirmed, Mr Hernu further stated, the 1984-1988 military programming law will make it possible to catch up on its orders. But in the Air Force general staff it is considered that the loss of materiel by the aging of the existing fleet makes it necessary for 30 to 40 combat aircraft to be ordered each year to replace the equipment and keep 450 airplanes on line.

#### Executive and Legislative

Likewise, the minister indicated that production of new AMX-30 B-2 combat tanks (an improved version of the AMX-30 in service) will be decided on and that only the remodelling--that is, the transformation--of the present AMX-30's into more modern B-2 models will take place [as published].

In addition to the protest by several opposition deputies, the bureau of the Defense Committee, chaired by Mr Louis Darinot, Socialist deputy from La Manche, and the rapporteurs asked to be received by the prime minister next week. The principle of this meeting is established. These deputies, who belong to the majority, intend to explain to Mr Mauroy that in the present case, the application made of the 1959 ordinance is excessive, since it tends to perpetuate the predominance, established in the time of General de Gaulle, of the executive over the legislative branch. They consider that it is up to the Parliament, and not to a mere ministerial decree, to decide on the fate of the large sums in question, and the vice chairman of the committee, Mr Huyghes des Etages, who is not losing hope of getting the government to reverse its decision, goes so far as to consider that "what a decree has done, another decree can undo."

#### Mr Fabius: a Decision in Conformity with Law

The Ministry of the Budget certifies, in a communique, that the cancellation of the payment credits, called a "budgetary coup de force" by the president of the CDS [expansion unknown], Mr Pierre Mehaignerie (LE MONDE of 22 October), was "published in the JOURNAL OFFICIEL in conformity with the law."

"As had been announced to the Parliament on many occasions," the ministry explains, these sums had been "put into reserve by the 1982 Finance Act within the framework of the budgetary regulation, involving Fr 15 billion in payment credits in 1982." "About half" of these credits were unblocked during the year--notably for building and public works--"though the rest was cancelled" on the decision of the prime minister.

"It is simply a matter, while maintaining priority for investment, of confirming the policy of control over public finances initiated by the government," the minister concluded.

## Deficit in 1982

Paris LE MONDE in French 23 Oct 82 p 11

[Article by J.-I.: "Deficit of Fr 1.7 Billion in 1982"]

[Text] In December, the Ministry of Defense is expected to register, for its 1982 financial year, a deficit estimated at about Fr 1.7 billion in its payment credits. This deficit, officially presented as a "carrying-forward" of the charges for them, is expected to oblige the armed forces to defer until January 1983 the payment of certain of their suppliers who normally would have been paid at the end of this year.

This carrying-forward of charges from one year to the next will at the outset encumber the execution of the budget planned for 1983 by a sum equivalent to the deficit. This will have the effect of making part of the 1983 financial year "acrobatic," especially if the government were to decide, as it recently did, to "freeze"--and later decide to cancel definitively--a part of the payment credits written into the 1983 budget.

### Mauroy Gives Further Clarification

Paris LE MONDE in French 29 Oct 82 p 26

[Article: "After the Cancellation of Sizable Military Credits in 1982--Mr Mauroy Announces that the Armed Forces Will Benefit from the End-of-Year Budgetary Collective Bill"]

[Text] On Wednesday 27 October, in the course of the session in the National Assembly devoted to the questions of government, Mr Mehaignerie (UDF, Ille-et-Vilaine) referred to the appearance, in the JOURNAL OFFICIEL of Monday 18 October and Tuesday 19 October, of a decree by the minister of the budget canceling Fr 22 billion in program authorizations and Fr 7 billion in payment credits. He stated in this regard: "By what right has the government authorized itself to take such measures without consulting Parliament? By what criteria has it chosen to reduce the investment credits of certain ministries by 25 percent in volume?"

Mr Mauroy replied: "The existence of a reserve of Fr 15 billion, drawn from the credits of the 1982 budget, has been public since the Council of Ministers meeting of 7 October. The minister of the budget has on several occasions informed the Parliament of the use that would be made of it. The decision that you refer to cannot therefore be a surprising one. What is more, it is perfectly legal. I find it difficult to understand why, after being accused of laxity, we are not blamed for moderating public expenditures."

The prime minister added: "And while it is true that the military program authorizations are down, this is because of the poor management of 1980 and 1981. In effect, our predecessors had developed the bad habit of increasing the military program authorizations without always matching the corresponding payment credits with them. That was deception! In order to make a valid judgment, it is therefore the payment credits that must be examined. Now they have risen by



11.3 percent this year over 1981, and we hope to raise their growth to 12 percent by means of the end-of-year budgetary collective bill.\* In other words, the charges you are making against us are ill-founded."

Replying next to Mr Hamel (UDF, Rhone) on the cancellation of the Ministry of Defense credits, Mr Mauroy stressed: "The 1982 defense budget, as you passed it, was to represent 3.895 percent of the GNP forecast; after the cancellation of credits that you condemn, its execution will represent 3.9 percent of the GNP achieved. In other words, the proportion of national resources assigned to defense is at least equal to what the Parliament wanted, and we are fully honoring our commitments. The Fr 3.2 billion in payment credits canceled are equivalent to 2.25 percent of the 1982 defense budget, which in the last analysis will have risen by 14.5 percent over 1981 instead of the 17 percent initially planned. As for the strategic nuclear force, far from being affected, it is retaining priority, with 26 percent of the budgetary credits."

In Mr Mauroy's view, "it is normal that all the ministries should participate in the budgetary stringency effort and work toward the objective of limiting the deficit to 3 percent of GNP, to which we will hold rigorously. Nevertheless, we are concerned not to create trouble for our military aeronautical industry. The minister of defense has just returned from India, where a contract has been made for the purchase of 40 Mirage 2000's. In the first half of 1983, our Air Force will in turn order planes of the same type. We are not giving up anything; we are only staggering the orders and deliveries, which, for that matter, had fallen behind schedule before us. At the end of the period, the program law will have been executed 99-percent in terms of deliveries, at the cost of the substitution of the Mirage F-1 for the Mirage 2000 decided on before 10 May. I recall that in 198 [as published], the program for acquisition of tactical vehicles had already fallen 3 years behind schedule, and the heavy-artillery program, 5 years. Certain responsibilities should not be forgotten.

#### Details on Canceled Equipment Purchases

Paris LE MONDE in French 30 Oct 82 p 20

[Article: "List of Armament Programs Halted or Suspended"]

[Text] The details of the cancellations of orders connected with the cancellation of Fr 13.4 in program authorizations and Fr 3.2 billion in payment credits for the Ministry of Defense for 1982 are now known with greater precision. These cancellations of credits were decided on by decree of the minister of the budget and published in the JOURNAL OFFICIEL date Monday 18 and Tuesday 19 October.

For the Army, the following are involved: 47 AMX-10 RC armored reconnaissance vehicles; 55 AMX-10 P and PC light armored transport vehicles; 25 AUF-1 155-mm cannons; 50 forward-area armored vehicles (VAB's); 738 tactical vehicles;

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\* The end-of-year budgetary collective bill is a document, submitted for Parliamentary approval, that adjusts the credits allocated to certain ministries and has the purpose of financing certain supplementary expenditures by releasing new resources.

Fr 630 million worth of battle ammunition; 6 AMX-30 B-2 combat tanks; and a part of the construction of the Integrated Automatic-Signaling Netowrk (RITA).

For the Air Force, the following are involved: 25 Mirage-2000 combat planes; 4 Ecureuil helicopters; sixteen 20.8-mm antiaircraft batteries; and 80 missiles.

For the Navy, the following are involved: 42 NAG (New-Generation Atlantic) antisubmarine and maritime-patrol airplanes; 4 fast patrol boats (PATRA's); 2 P-400 400-ton public-service boats; 64 torpedoes; and a delay of 3 to 12 months in construction of antiaircraft and antisubmarine corvettes.

11267

CSO: 3519/104

## OFFICIAL CONFIRMS STUDIES TO REORGANIZE FIRST ARMY CORPS

Paris LE MONDE in French 30 Oct 82 p 20

[Article by Jacques Isnard: "For the First Time, Mr Lemoine Confirms the Government's Intention to Reexamine the Composition and Mission of the First Army" (for related item see FBIS Western Europe Daily Report Vol VII No 211 dated 1 Nov 82 pp K2-K3)]

[Text] The secretary of state for defense, Mr Georges Lemoine, confirmed in Paris on Thursday 28 October that the government was reexamining the present composition and missions of the French battle corps--that is, the First Army, installed on both sides of the Rhine. This is the first time that a government official has officially brought up the matter of the proposed reorganization of the First Army, which is a unit of 200,000 men.

Mr Lemoine was speaking at the conclusion of the work of the conference on the defense of France and Europe in the National Assembly, organized by the Foundation of the Future, presided over by Mr Jacques Baumel, RPR deputy from Hauts-des-Seine and a former minister. On that occasion, Mr Baumel announced the creation of a "High Authority for Defense and Strategic Studies" (HADES), the purpose of which is to study the military problems and the technological progress destined to modify strategic thinking in the coming decades.

Considering that he was "in a position to give a few indications today on the improvements that seem useful, without there being any decision in this regard yet," the secretary of state declared that he wanted to "dwell for a moment on the desirable evolutions of the French air and land battle corps."

"First of all," Mr Lemoine explained, "it is a matter of examining whether the orientation of our formation, facing the east, or rather the northeast, is indeed the best that can be conceived. Naturally, I am not speaking of the tactical air force, the use of which is highly flexible by definition. I am speaking of the First Army, in its double mission of participation as necessary in reinforcement of the allied formation and close defense of our territory. The question we are posing to ourselves is the following one: are the present formation and composition of the First Army the best-suited for meeting those two needs, which, at least partly, are antagonistic by nature? We are not sure about that, and we already see the necessity, in addition to a certain peacetime redeployment, of an increase in mobility and firepower, perhaps to the detriment of personnel-strength policy.

The First Army, to which the secretary of state alluded, combines, for European-theater operations, up to three army corps, which align a total of seven armored divisions distributed on both sides of the Rhine and reinforced as necessary with infantry divisions. It contains nearly 200,000 men who have 3,000 armored vehicles, 400 artillery pieces, 400 helicopters and 42 ramps for launching Pluton tactical nuclear missiles. The First Army is supported by the Tactical Air Force (FATAC), which is capable of deploying up to 350 airplanes organized in 7 wings.

A few months ago, rumors in military circles were already bringing up the government's desire to prepare a reorganization of the First Army. But these rumors had not been officially confirmed until now.

"The same question," Mr Lemoine added, "then arises with regard to our tactical nuclear weapons, the credibility of the use of which, on the orders of the president of the republic, we feel strongly should be increased, by making them less geographically and materially dependent on the instantaneous position of the conventional forces. Therein, indeed, lies the significance of the recent decisions relative to the increase in their range, which will make possible both a pulling-back of the firing positions and an increase, in both breadth and depth, of the dimensions of the zones covered. But reflection on many points still needs to be done, especially on the way of making the adversary perceive that there will be an increased risk for him in the event of attack by him."

Mr Lemoine referred to the project for the Hades tactical nuclear missile, which, starting in 1991, should replace the Pluton in the Army's nuclear-artillery regiments. The Hades missile should, in principle, travel 350 to 400 kilometers (as against 120 km for the current Pluton) if, between now and then, France succeeds in perfecting more modern systems of acquisition (detection and identification) of enemy objectives at such distances.

#### Fr 7 to 10 Billion

According to Mr Pierre Mauger, RPR deputy for Vendee and rapporteur of the defense committee in the Palais-Bourbon, a decade will be necessary for equipping a first Hades regiment, at a cost, including development, of between Fr 7 and 10 billion, depending on the number of missiles decided on.

In the course of this same Foundation of the Future conference, Mr Yves Lancien, RPR deputy for Paris and member of the defense committee, revealed that contrary to an assertion by Minister of Defense Charles Hernu that "no nuclear program had been affected" by the recent cancellations of military credits, a total of Fr 1.253 billion in payment credits for nuclear armament had been eliminated by decree of the minister of the budget.

Mr Lancien thus detailed these cancellations of credits: Fr 658 million atomic development, Fr 309 million for missiles and Fr 286 million for tactical nuclear weaponry.

Before concluding with "France, your defense is being abandoned!" the RPR deputy gave the following details about the cancellations of credits that conven-

tional-materiel orders are suffering: "In 1982, the Air Force has ordered no combat planes, and if all goes well, it will order perhaps 30 in 1983. But 33 combat planes must be ordered each year in order to keep 450 on line, as planned. Likewise, in order to keep the Navy at its overall tonnage of 300,000 tons, 12,000 to 13,000 tons must be ordered per year. This year, we have ordered barely 7,000 tons."

The secretary of state, who was present during Mr Lancien's statement, did not challenge any of the figures given and was content to indicate his "disagreement" with the deputy's interpretations.

#### A New Division Model in the Army

Studies have been launched, at the request of Charles Hernu, the minister of defense, on the conception of a new division model in the Army. This study corresponds to the recent announcement by the prime minister, to the Institut for Higher Studies in National Defense, that the government was envisioning "a new army model" whose mobility and firepower would be greater than those of the existing panoply.

This new division project is known by the code name of "FHAC," or Antitank-Helicopter Force. It relates to the idea of new air-mobile divisions using, principally, helicopters capable of launching antitank missiles. The United States, the Soviet Union and Israel have already developed such forces by means of helicopters adapted to tactical flying (at ground level) or now capable of flying at night.

11267

CSO: 3519/105



## LANDIVISIAU NAVAL AIRBASE HOUSES SUPER ETENDARDS

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Oct 82 pp 38, 39, 43

[Article by Jacques Dubourg: "The Shipborne Aviation of Landivisiau"]

[Excerpts] The Naval Airbase (BAN) at Landivisiau in Finistere Nord Department is the principal base of our shipborne aviation. On the ground it accommodates the attack, interception, and reconnaissance jetplanes of the French Navy. These planes also operate from on board the aircraft carriers "Foch" and "Clemenceau." The BAN includes 4 naval air wings and 1 squadron, 60 aircraft in all being assigned to Landivisiau. The layout of the Navy airbases follows two identical and complementary setups covering, first, the Atlantic and, second, the Mediterranean. Paralleling the Landivisiau base is that of Hyeres, but with a single naval air wing, 17F; the counterpart of the Lanveoc-Poulmic base is the Saint Mandrier base (for helicopters) while the Lann-Bihoue base parallels the Nimes-Garons base. The Landivisiau BAN falls under the jurisdiction of the 2d Air Region whose commander in chief for the Atlantic region, the "Premar" operational maritime prefect, Navy Captain de La Fourcade, heads the various naval airbases. But the naval air wings also fall under the jurisdiction of the admiral commanding the aircraft carriers and the shipborne aviation. That is an apparent contradiction for a ground officer but is logical for a sailor who always distinguishes what is on land from what is at sea...even when those in the air are involved!

Laid out in 1963 with its runway completed in 1965, the Landivisiau Naval Airbase received its assigned naval air wings between 1967 and 1969. The 11F Naval Air Wing flew the Etendard-IVM aircraft, the 12F Naval Air Wing operated the F8E FN's, the 14F Naval Air Wing also flew the F8E's, while the 16F Naval Air Wing used the Etendard IVP's. Then came the 57S Squadron in 1981 flying the Falcon-10 MER [navy, training, and radar] and the Morane-Saulnier 760 Paris aircraft. The changeover to the use of the Super Etendard, an all-weather attack and medium-altitude fighter aircraft capable of being based on aircraft carriers occurred in September 1978 for the 11F Wing and in April 1979 for the 14F Wing.

In all 60 aircraft are based at Landivisiau including 24 Super Etendards, 8 Etendard-IVP's, 16 F8E Crusaders, 3 Mystere Falcon 10's, and 9 Morane-Saulnier Paris planes. The base, commanded by Navy Captain Vivie de Regie,

has service groups available as follows: operations, technical and general services, with totaling some 1,700 including 80 officers, 650 naval officers, 800 crewmen (half of them draftees), and 170 civilians, essentially technicians. The operations services are charged with the preparation and followup of flights under all weather conditions, thanks to very elaborate radar equipment and radionavigation instrumentation. The technical services, with specialized workshops, provide for all types of aircraft maintenance and repairs for disassembled parts, jet engines, airframes, rudders and ailerons, electric and electronic equipment, armament, and so on. The naval air wings provide the current operational maintenance essential to their mission.

Each wing, the heir to traditions and a historic past, represents an operational unit headed by a commander who is also--and first of a--a pilot.

Since 1979 the 14F wing has also used Super Etendard aircraft as fighter, support and attack, low- and medium-altitude, day and night aircraft. This wing has 12 planes, 15 pilots and 130 technicians. With these aircraft the wing's mission has changed and, as it is charged with attacks at sea by day or night, refueling in flight by day or night, and firing proficiency, has expanded to sixfold. Each flight involves reentry maneuvers at 180 meters, a landing of shipborne aviation type on a "naval" terrain with wheel trigs and arrester hooks but different from those used on board an aircraft carrier, thanks to concrete! Normally, planes are not stopped by a tripwire (like the American Bliss type with which NATO landing strips are outfitted). The Landivisiau runway, measuring 2,700 meters in length and 45 meters in breadth and equipped at both ends, can be used in either direction, with hooking on contact or after a roll without the use of brakes.

The pilots of the naval air arm fly 180 hours a year, 220 hours for those who land on the deck of an aircraft carrier at night. The latter put in from 50 to 60 hours of night flying a year. One flight out of two is done under VSV [blind flying] because of weather conditions but also depending on the missions involved. The use of a simulator, an LMT [telephonic equipment] with four axes incorporating night vision conditions, is also part of the training program for naval air arm proficiency following [pilot] school, before each type of mission, always before landing on deck or when warming up after return from leave.

The pilot of a shipborne aircraft regularly serves tours of duty of from 2 to 8 months or 9 months for the longer, exceptional cases.

The arming plan for the Super Etendard aircraft provides for maximum ordnance of 2.1 tons plus two DEFA [Directorate for Weapons Studies and Manufacturing] cannons and two sets of 120 shells or the AM39 Magin infrared missiles; 68- or 100-millimeter rockets; bombs of 250, 400 and 1,000 kilograms.

The 12F Wing is also the successor of the historic 1F Wing and was established at Hyeres on 1 August 1948 armed with Seafire-3 rockets. Transferred to Landivisiau in 1968, the 12F Wing is still equipped with Crusader aircraft (16 of them for 22 pilots) and evidences its operational effectiveness through

its firing capabilities, with cannons or missiles, or by operating from the aircraft carriers "Foch" and "Clemenceau." What about the Crusaders? There are still 31 of them out of the 42 of the initial French order starting from 1964. The mission of 12F Wing is all-weather interception by day and night, principally for the air defense of a naval force at sea. On the ground the wing can undertake the defense of the territory under control of the French Air Force. Even though dated, the Crusader aircraft continues to be viable since its power plant and airframe age gracefully. At the naval airbase, they expect to keep this plane through 1992. It is a rugged interceptor aircraft with an afterburner, highly maneuverable, not sophisticated, capable of a speed of Mach 1.7, which has found renewed efficiency in the past 4 or 5 years when it was equipped with MATRA [General Mechanical Aeronautics Company, Propulsion Section] 550 Magic missiles which are very easy to install on the plane. The Crusader also has four 20-millimeter cannons. It could be outfitted with MATRA 530 missiles with semiactive electromagnetic guidance, missiles which have a certain capability under all weather conditions and in all sectors.

The fourth naval air wing at the Landivisiau base is the 16F Wing which uses Etendard IVP aircraft and has 3 planes, 10 pilots, and 130 personnel. Its mission is more special since it performs reconnaissance duties for shipborne aviation. The only wing of its kind, it is usually divided into two sections, one shipborne on the aircraft carriers and the other based on land. Its mission is to collect information especially--and even essentially--through photographs, and this is something which makes the plane extremely useful thanks to equipment which would make the greatest producers and photographers in the world green with envy. Its armament consists especially of cameras and other photographic equipment whose handling it ensures.

Finally, the 57S is a recently formed squadron which, since 1 September 1981, has replaced the jet aircraft section at the Landivisiau Naval Airbase. Today its mission is to train the pilots of shipborne aviation in blind flying and night flying and in handling the squadron's equipment--firing guidance, calibration of the instruments, radar adjustment and so on, sometimes target aircraft--and finally providing air links in the interest of the general staff, the naval chief of staff, or filling in for the GLAM [Ministerial Air Liaison Group]. The squadron is equipped for these missions with three Falcon-10 MER aircraft and eight Morane-Saulnier 760's. These are aircraft which have the advantage of low-cost operation compared to that of shipborne aircraft (using 10 times less fuel than a combat aircraft). The pilots and instructors are all qualified fighter pilots and they number eight, most of them patrol leaders. The diversity of the squadron's missions leads it to chalk up an appreciable total of flying hours a year, namely, 3,600 hours. Working more than combat groups under normal air traffic conditions, as opposed to working in military operations traffic, operations with the Falcon-10 aircraft are appealing because of its autonomy, its ability to cover 3,600 km in 4 hours' flying time, and its adaptability to short runways.

## BRIEFS

**TURBOMECA ENGINE TESTS COMPLETED**--As a continuation of the development program of its new 850 hp TM333 turboengine for helicopters, Turbomeca recently successfully completed the endurance tests after 150 hours of uninterrupted operation at the power output levels established by the official certification program. After this test, the mechanical status of the TM333 was excellent and its performance did not vary during the test. To date, 7 engines of the 16 in the prototype program have been built and have recorded 850 hours of operation, including 108 in flight. The TM333 program was launched in July 1979; the first complete engine was run in the shop in September 1981 and the first flights took place at the beginning of April 1982, after a 50-hour trial called "flight voucher," in January 1982. These flights were made with an Aerospatiale SA365 Dauphin 2. After the success of this first 150 hour endurance test which demonstrated the "good basic mechanical soundness" of this engine, there will be cyclical tests on the components and on the engine, long endurance tests and accelerated tests which will mimic the actual tasks of the helicopter and will lead to civil certification of the TM333 in the first half of 1985 and to the first deliveries, which will begin in the second half of 1985. [Text] [Paris BULLETIN DU GIFAS in French 23 Sep 82 p 3] 9720

CSO: 3519/66



## MILITARY SERVICE AGE LOWERING PLANNED

Athens TO VIMA in Greek 7-13 Nov 82 p 1

/Text/ The government has decided in principle to begin implementing, in 1983, the measure to conscript all 18-year olds who are subject to compulsory military service. At the same time, according to exclusive information, the government is planning to drastically restrict --up to the point of abolishing-- the practice of men postponing their induction date "due to studies," as well as the practice of men being able to buy themselves out of the service.

The induction of 18-year old men and the drastic reduction on exemptions due to studies will permit a decrease in the length of compulsory military service because the system will provide a much larger number of recruits than now. Thus, the government estimates that, with the establishment of compulsory induction at the age of 18 and with the definite abolition of exemptions, the decrease in the length of military service will come about without, at the same time, reducing the defense capability of the armed forces.

This measure, namely compulsory induction at 18, presents many positive elements both for the armed forces and the conscripts themselves.

More specifically, 18-year old conscripts, of course, do a much better job than conscripts who are usually conscripted (exactly because of the repeated postponements) often even after the age of 28. It also gives the conscripts the possibility to find out their vocational proclivity in the army (as soon as they finish school), in various specialties that the armed forces offer. Finally, pseudo-education is reduced because it will dissuade young people, who had failed in their university studies, from registering in dubious quality schools just for the purpose of getting a postponement in their induction date.

However, besides these positive aspects, the establishment of the induction date at 18 will also create many problems that are now being studied and that, at any rate, will be solved in the approximately 3-year interim period. This period, during which the intermediary class of 19-year olds will be called on to serve together with the regular --at this time-- 20-year olds and 18-year olds, will provide the appropriate time to solve all the prevailing problems that will crop up.



One of the most important problems relates to the universities where today the ratio of men students to women students is 40 to 60. If the young men enter the service as soon as they finish school, then there will be no young men in the universities for the first 2 years. This problem, however, can be possibly solved with the reduction of the number of entrants during this "dead" 2-year period for the young men so that the desired ratio may be maintained.

With the current conscription system, over 20,000 young Greek men receive conscription date postponements every year for reasons of study at AEI's /Advanced Educational Institute/ and another 25,000 at private schools, while about 15,000 go abroad to continue their studies.

Nevertheless, it should be noted that no problem is expected to arise for those now studying under the conscription date postponement practice, and especially for those who are studying abroad.

5671

CSO: 3521/63

## MASKED PRESS CONFERENCE ON MILITARY RIGHTS

Athens AKROPOLIS in Greek 9 Nov 82 p 1

/Text/ An army private, an air force private and a sailor, all wearing masks to hide their faces and also wearing their uniforms, appeared before reporters and photographers yesterday and spoke about conditions prevailing in the armed forces.

They said, "We condemn the punishment, the intensity of training exercises, the terrible restrictions imposed on us, even to the newspapers we read. All of this results in suicides one after the other and the depression of our personalities."

The press conference took place yesterday afternoon at the Zografou Students Club.

Together with the soldiers were representatives of the "Army Committee" who spoke on: the situation prevailing today in the camps and of the servility to which the soldiers are allegedly being subject and who asked for the implementation of the 12-month period of military service.

The soldiers said, "All the new people must act and organize assistance committees everywhere, at every place of work or meeting place, so that our problems will be continually heard.

"Committees of army privates, air force privates and sailors are being organized on a daily basis everywhere. Our purpose is to get political and trade union freedoms. So that our voice will be heard all the more often.

"Because it is necessary for all the people to get to know what we are facing from the moment we go into the service and during our entire assignment in the service."

The meeting ended about 9 pm, followed by a concert that was attended by many people.

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CSO: 3521/63

MILITARY

GREECE

#### MILITARY SCHOOLS ENTRANCE EXAMINATIONS CHANGES

Athens AKROPOLIS in Greek 9 Nov 82 p 8

/Text/ Examinations for entry into military schools will come under the new system for student entry into advanced educational institutes of the Ministry of National Education and Religious Affairs, beginning with the 1983 entry examinations.

The above was decided on at a GEETHA /National Defense General Staff/ meeting attended by Deputy Minister of National Defense Drosogiannis, the secretary general of national education and religious affairs, the armed forces command, as well as GEETHA staff officers and various service staff officers.

As noted in the communique, specifically in order not to do injustice to military school candidates who had done preparatory work for taking the examinations under the old system, special entry examinations will take place in 1983 in the military service for the selection of a certain number of students from candidates who acquired a high school diploma in 1982 or prior to that.

This number will be part of the total number of entrants that will be provided for in 1983 and to be determined at a later date.

The various military academies, cadet schools and air force cadet schools will come under the polytechnic group (1st group). The officer corps schools will come under the corresponding groups that are being provided for in their various units.

5671

CSO: 3521/63

MILITARY

GREECE

BRIEFS

MILITARY'S CIVILIAN GARB--Soldiers and non-commissioned officers of the armed forces will wear civilian clothing when not on duty. The appropriate decision has already been signed by Deputy Minister of National Defense And. Drosogiannis. GEETHA /National Defense General Staff/ will issue an order determining the date when the decision goes into effect. /Text/ /Athens TA NEA in Greek  
3 Nov 82 p 1/ 5671

CSO: 3521/63

## LABOR REJECTION OF DUAL DECISION THREATENS DEFENSE CONSENSUS

Oslo AFTENPOSTEN in Norwegian 12 Nov 82 p 3

[Text] Conservative politicians in the Storting fear that the Labor Party's refusal this fall to follow up NATO's dual decision will lead to increasing disagreement in Norway about defense and security matters. The Conservative Party's Jo Benkow stressed that up to the last moment negotiations were carried out to avoid a disagreement. Guttorm Hansen (Labor) was disappointed that the parties could not agree on a postponement. Stein Ornhoi, on the other hand, was not disappointed. "This can signify the beginning of a new security policy orientation for Norway," he said.

In spite of the fact that conservative politicians now fear an increasing disagreement on defense policy, AFTENPOSTEN gets the impression that a clear majority can be obtained on important future security policy initiatives. Not everyone in or outside the Storting regrets what has happened. The Socialist Left's Stein Ornhoi puts it this way: "Disagreement is positive and encouraging because it allows for the possibility of debate. The paralyzing agreement that has existed in Norwegian security policy has been based on half truths and secrecy. It has been an unhealthy element in Norwegian democracy. It is encouraging that we will now have an open debate on an important matter. This can signify the beginning of a new security policy orientation for Norway."

Erik Alfson, in "No to Nuclear Weapons," says that the organization will work hard to obtain a majority in the Storting to oppose the appropriations. He admits that last summer the organization did not think that as many as 77 Storting members would oppose approval in the fall.

The next chairman of the Foreign Policy Committee, Guttorm Hansen (Labor) told AFTENPOSTEN that the Labor Party's position does not treat the issue realistically, but instead only favors a postponement of negotiations on this special appropriation. "After discussion by the government and by our Storting group of this issue, it should be clear to everyone what the position of the Labor Party is. To say that the issue is one of loyalty to NATO is to dramatize it. Personally, I am disappointed that the government



and the governing parties would not agree to a postponement since we in the Labor Party want to study the matter again during the budget year. A parliamentary split into two almost equal parts is unnecessary," Hansen said.

Conservative Party leader and chairman, Jo Benkow, says that the split came in spite of the governing party having done its utmost to find a solution. He says it has not been possible to get the Labor Party to agree to avoid a disruptive vote that could lead to further disagreement on defense policy matters. "I want to remind you that it will be difficult to maintain our NATO membership if we do not meet our obligations when they fall due. I certainly hope that this will not land us in a new and uncertain security policy situation," he said.

The Christian People's Party's parliamentary leader, Kjell Magne Bondevik, says that it will be regrettable if the Storting is split on this matter. Bondevik maintains that a pattern for future negotiations can easily be created, and that it is in itself unfortunate to have a split on central security policy matters. "We do not want to contribute to a dramatization of the disagreement that now has developed. On the contrary, we hope for greater agreement at future discussions of the details of the dual decision," he said.

The Center Party's parliamentary leader and chairman, Johan J. Jakobsen, regrets the struggle that has arisen on the appropriations resulting from NATO's dual decision. He also says that it is difficult to see any fundamental disunity among the largest parties in the Storting, and he points out that the Labor Party itself says it favors the dual decision. Jakobsen maintains further that there is no one who thinks that Norway should be a "spearhead" or "ramrod" in financing the preparations tied to NATO's resolution.

AFTENPOSTEN asked Norway's NATO ambassador, Kjeld Vibe, if there has been any criticism in NATO of the government's method of treating the issue. "I have not noticed any irritation on the part of our allies here over the method of treatment," Vibe said. "On the other hand, a strong concern has been expressed about the split that has appeared in the Storting on a question of such fundamental importance for the alliance and for the individual member countries," he said.

The so-called peace organizations and "No to Nuclear Weapons" will now intensify their work to get more parliamentary representatives to go against the dual decision. Many proposals are being put forward, one of them tonight. Curate Helge Hognestad is calling for a "peace gathering at the eleventh hour" in Hovik Church on the occasion of the Defense Committee's presentation of its position on the defense budget.

9124  
CSO: 3639/27

## STUDY CONFIRMS INCREASED INTELLECTUAL LEVEL OF CONSCRIPTS

Oslo ARBEIDERBLADET in Norwegian 9 Nov 82 p 36

[Text] Ola hasn't gotten dumber. On the contrary, he is getting a little smarter every year. This is shown by a large study of the soldiers' achievement levels. The assertion by Tore Austad, secretary of Church and Education, that the educational level was declining has been countered by clear statistics from the Defense Psychology Department.

It was shown that 18-year-olds taking Defense tests are achieving steadily improving results. From 1954 to 1968 there has been a steady forward progression. Improvement has continued in a number of areas. Ola has shown a greater understanding of Norwegian and improvement in reasoning.

But he does not always find the solutions to math problems. It is namely the results in mathematics that have decreased somewhat since 1968.

"This does not, however, justify saying that the level in mathematics has worsened, or that the students have become more stupid. Today they learn other things in math classes, while our tests are built on past material. They do not take into consideration that the school puts less emphasis on practical mathematics," said Ivar Hansen, division psychologist at the Defense Psychology Department. "We do not wish to enter into a debate on the decreasing educational level in the schools, but we feel a need to clear up some misunderstanding. When Minister Austad set forth his assertion some months ago, he was using our own tests."

"But why didn't you come forth with this earlier?"

"Partly out of loyalty considerations," Hansen said, pointing at his colleague, Thore Boye Rist, who obtained his degree in psychology on the basis of this research.

"We did not want to voice our opinion before the examiners had had their say. But I am not surprised at the result. This is something we have seen over a period of years," Hansen said. He is not surprised, either, that Thore Rist was awarded a good grade for his thesis.

9124

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## DEFENSE MINISTER DISCUSSES EFFECT OF BUDGET CUTBACKS

Stockholm SVENSKA DAGBLADET in Swedish 10 Nov 82 p 8

[Article by Erik Liden: "Defense Minister Hopes to Attain Savings Goal: Less Refresher Training, More Shelters"]

[Text] "The national economy requires that there also be belt tightening in defense. The defense resolution for 1982 will, however, remain unchanged and fulfilled during the 5-year period extending to 1987."

That was the declaration of principle by Defense Minister Borje Andersson (Social Democratic Labor Party) when he appeared before the mass media after a 1-month breaking-in period.

As SVENSKA DAGBLADET noted last week, it was revealed in the budget dialogue that devaluation cost the defense 800 million kronor in next year's orders for more expensive material. It is still far from clear how much of this 800 million kronor will go into the budget bill in January. Refresher training, which after a long period of reductions was brought back to full strength, is once again being reduced. Of the 100,000 callups next year, 25,000 could be cancelled.

"We can not borrow for guns and salaries," said Borje Andersson. "A wretched economy is a threat to the defense. Devaluation brings limitations on all the efforts of society, to begin with. If it works, which we really hope, the result will be more favorable economic conditions than we have today."

## Save More

"Until 1992 the defense will save 8 billion kronor by deactivating units, reorganization and reduction of personnel, without reducing the effectiveness of the defense forces.

"By saving more during the first years of the 5 years of the defense resolution, I believe that by 1987 we will still fulfill the goal of the Riksdag."

Borje Andersson pointed out that defense industries had already this year received 230 million kronor more than anticipated in the defense resolution as support money in the prevailing recession. Orders have been moved forward in time. In the same way 160 of the 200 million kronor especially set aside for antisubmarine search has already been spent on proposed orders. Further support orders only push the problem into the future.

"The conscripts have, for a long time, justly demanded better social conditions in their basic training. They, like others, have been hit by the devaluation, but I expect to be able to give them 3 kronor more per day beginning 1 July of next year. With full price compensation it could be more, but we will see what the budget negotiations will produce even here."

#### Unity Important

Borje Andersson emphasized the importance of the strong unity now in effect in the Riksdag on total defense matters.

"This unity of values across party lines on national security and defense policy is extremely important. It strengthens our credibility abroad.

"It is, however, urgent to point out that my predecessor, Torsten Gustafsson (Center Party) emphasized in the total defense resolution that the defense industries must be restructured during the 1980's. They can not go along in the same old way and hope for large new orders.

"In other areas, defense today is saving on ammunition, which leads to less purchases. In many exporting countries conditions are the same. The recession affects all countries. Most of the large defense orders of the 1980's have already been filled, and therefore industry must increase its efforts to convert to more civil production soon."

#### Submarine Took Time

Borje Andersson ran straight into the submarine incident at Harsfjarden when he came in the beginning of October. It had both advantages and disadvantages.

"I can not say that the submarine made my first month easier. On the contrary, it took much time and obstructed other tasks. I had good direct contact with the OB [Supreme Commander of the Swedish Armed Forces], and have since had it the entire time.

"The submarine provocations are entirely unacceptable and we have sharpened our tone appreciably and are prepared to put power behind our words concerning the sinking of foreign submarines in the future. If it is not just a matter of provocations the violations are even more incomprehensible. Otherwise why would submarine crews take such great risks far inside Swedish waters?

"The submarine commission will answer the questions of what really happened, where the Swedish defenses were lacking, what new measures would cost and what technical possibilities exist."

#### Free Information

Borje Andersson also expects that the problem of information will be especially illuminated.

"Open information makes the spreading of rumors more difficult. A free flow of information is an important precondition for the citizens of a democratic society. During the submarine incident, however, it was important to see that the flow of information did not make Swedish military operations more difficult, or even impossible."

Borje Andersson said that the submarine commission may conclude that anti-submarine search in peacetime requires increased economic resources.

"In such a case I am ready to give more money. A certain redistribution of available resources may then be necessary."

#### Build Shelters

Of the different branches of the total defense, the defense minister wants especially to invest in civil defense and increase the involvement of local government. Shelters must be built in the 14 largest municipalities and protective masks procured for all age groups. He emphasized the importance of the civil population having the possibility of working and surviving at their home places.

"In the same way the economic defense must have the endurance which is based on the needs of a peacetime society, with reasonable consideration being given to supply readiness in wartime."

The high willingness of Swedes to defend their nation does not surprise Borje Andersson.

"The Swedish people have noticed more and more how things look in the world around us, and realize the importance of a just democratic society like ours with a unified policy. Such a society is more and more worth defending when human freedoms and rights are being trampled underfoot in more and more areas of the world.

"Many surely believe that the defense costs are high, but that is the price we must pay for the freedom from alliances which according to the resolutions of the Riksdag is responsible for our neutrality in wartime. The peace movement is also worth supporting when it is working for disarmament in both East and West. It has been a hopeful input in the debate, because it influences the nuclear arms race.

9287

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## PAPER REGRETS DECISION TO MAKE CUTS IN MILITARY

Stockholm SVENSKA DAGBLADET in Swedish 11 Nov 82 p 2

[Editorial: "To Be Paid in Blood"]

[Text] Our new defense minister, Borje Andersson, after the tumultuous submarine incident, has found time to acquaint himself with the more profound problems of his new office.

The first result of his job orientation is unfortunately ominous.

Mr Andersson seems to believe that one-fourth of the defense forces' refresher training should be cancelled--this is his initial though somewhat peculiar reaction to Olof Palme's and Kjell-Olof Feldt's lightning and record devaluation.

This is certainly not the first time the system of refresher training has become frayed around the edges. Actually it has happened over a long period of years: Torsten Nilsson (Social Democratic Labor Party) is believed to have been the first who used this method on a large scale. The raids have usually happened in a more subtle way than to cancel the activity outright. The result, however, can not be argued away--primarily not before the thoughtful and knowledgeable observers in our environment, who shall remain nameless.

Refresher training has been shortened. For some strange reasons it has become less realistic. Practical cooperation among the three armed forces has been reduced to the symbolic, and often not even that. Training in the higher units, brigade level or higher, has become a rarity, with predictable results for the competence of the officers.

By international comparison, Sweden has conspicuously short basic training for conscripts. The calculated risk of this practice--a risk which in the worst case must literally be paid for with the blood of the poorly trained soldiers, positioned against some who are better prepared--has been compensated for by this very system of refresher training. A system which hosts

countless groups of journalists and military attaches and is held up as our nation's pride and strength: a defense force on furlough which is regularly pulled together in their wartime units to maintain and renew their military readiness.

This correctly devised system has, through actions of political convenience, become a questionable and wornout sideshow.

The defense minister is correct when he speaks of the importance of unity on defense policies, and determination on willingness for defense.

Perhaps he should, when he gets a free moment, consider that both of these things require an actual conviction, on the part of our people, and especially among our soldiers, seamen and airmen, that it is not just the weapons, but also the training that they have the right to expect from Swedish society, which asks everything from them when it is in extreme need.

9287

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## DEFENSE INDUSTRY TO FEEL EFFECTS OF MILITARY BUDGET CUTS

Stockholm SVENSKA DAGBLADET in Swedish 13 Nov 82 p 6

[Article by Erik Liden: "Defense Savings Plan Can Hurt Industry"]

[Text] The Defense Department will save about 600 million kronor next budget year in relation to the Riksdag defense resolution of June this year. This was announced by the Finance Department on Friday.

As SVENSKA DAGBLADET reported on Wednesday in connection with an interview with Defense Minister Borje Andersson (Social Democratic Labor Party) this involves drastic cutbacks in refresher training, construction activity and material purchases. This will also lead to reduced employment in the industries concerned.

At the Defense Staff they believe that the task of explaining within 2 weeks how 600 million kronor will be cut from an already tight defense resolution is almost impossible. In any case it will be very difficult to bring about balanced reductions, according to the planning experts.

Instead of the 18,170 million kronor in current prices which the Defense Department expected for 1983/84, the plans must now begin at about 17,600 million kronor. To this must be added the amount of the price increases according to the defense price index, which adds a further 2,000 million kronor during the budget year.

## Extra Callups

OB [Supreme Commander of the Swedish Armed Forces] Lennart Ljung has already, in his 5-year program plan in September, said that refresher training must be maintained and that the wartime organization must be reduced if maintenance of purchasing power can not be guaranteed. Furthermore the OB points out that for labor-market reasons extra conscript callups will cost at least 40 million kronor per year and that unforeseen changes in the peacetime organization could reduce the economic maneuvering room by a further 25 million kronor per year.

Social Democratic promises of increased benefits for conscripts over and above the defense resolution will cost about 25 million kronor per year.

For reasons of employment the government has ordered military material in advance from Karlskrona and Bofors for 290 million kronor, among others. This money further reduces the maneuvering room when 600 million kronor must be cut. In fact the Defense Department must save 950 million kronor in order for the total cuts to be 600 million kronor in relation to the planning level of 18,170 million kronor.

#### Fewer Callups

Each time there is a callup for refresher training it costs about 4,000 kronor per soldier for barely 3 weeks of training. That means that 25,000 fewer soldiers called up saves 100 million kronor, 50,000 fewer saves 200 million, etc.

On Friday no responsible official in the Defense Department or the Defense Staff could specify where the savings measures would be concentrated. It was clear that refresher training would be hard hit.

Of the 97,000 conscripts that the Defense Department is planning to call up for refresher training in 1983/84, 25-35,000 can expect to stay home.

Several new messhalls, barracks renovations, new warehouses and service installations have been pushed into the future. Ordered material which is not yet fixed in numbers is being reviewed before claims for damages are received from industry. Modernization of the wartime organization is being delayed.

Measures to repair the damage which the spy Stig Bergling caused are being further delayed.

#### Budget Negotiations

The budget proposition of the Finance Department will now be negotiated by the under secretaries concerned before the cabinet ministers take a position. The defense resolution is sensitive just now for many reasons, and it will probably be approved quickly when the party leaders meet on it.

The Riksdag resolution on the contents and the economy of the defense for the period 1982-87 which was approved with great political unity on 4 June will never take effect if the planned cutbacks take place. This means that 3 years of hearings and planning are discarded with the stroke of a pen.

"The government declaration that it intends to adhere to the defense resolution is still valid," said Under Secretary Per Borg in the Defense Department to SVENSKA DAGBLADET. "I will have no further comment before 10 January when the budget proposition will be presented."

Under Secretary Ulf Larsson of the Cabinet Office, who is directly responsible for the defense sector, said that cuts in defense will not be a one-time event.

"When the amount is decided upon, the coming year's planning direction is usually tied to the actual budget figures. The defense appropriation can therefore be changed during the entire 5-year period until 1987. It is, however, too early to say that we have abandoned the government declaration."

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## CONSERVATIVE MP BILDT QUERIES MINISTER ON DEFENSE CUT PLAN

Stockholm DAGENS NYHETER in Swedish 16 Nov 82 p 6

[Article by Magdalena Ribbing: "Defense Minister Says We Can Be Forced to Cut Defense Budget"]

[Text] Concerned Riksdag member Carl Bildt (Conservative Party) asked Defense Minister Borje Andersson if the government expects to reduce the defense appropriation, and the defense minister could not give a reassuring no as an answer. The defense minister said that the Swedish economy is worse than any Social Democrat could imagine.

The debate should really deal with antisubmarine search, but Borje Andersson's answer to Carl Bildt's interpellation (important question) was a reference to the commission which has been appointed to investigate submarine violations promptly.

And Carl Bildt hoped in his reply that the commission would agree on measures to be taken--he himself is a member of the commission for the Conservative Party:

"But they will inevitably be measures which will cost money. Lofty declarations are not the same as concrete measures, and that is known by the power or powers on the other side of the sea--or seas--that are conducting these activities. I am extremely concerned that the government is considering deep cuts in the defense budget."

With this Carl Bildt was referring to an interview in SVENSKA DAGBLADET with Under Secretary Ulf Larsson of the Cabinet Office, who said that the defense budget can be changed during the 5-year period until 1987. In that case it would be the 1982 defense resolution which would be torn up.

"The risk that the 1982 defense resolution will wind up in the waste basket before it can be put into effect also curtails defense against submarine penetrations," said Carl Bildt, and emphasized that tearing up the resolution would conflict with everything the Social Democrats have previously said on the defense issue.

Defense Minister Borje Andersson saw no reason to comment on Under Secretary Ulf Larsson's statement, he said. But he said, "A collapsing social economy is also a direct threat to our defense. And the Swedish economy is worse than expected. I can not exclude that a certain saving will be necessary, even in the defense budget."

Carl Bildt said that the fact is that perhaps the fight is not lost. His experience with defense ministers through the years has showed that a defense minister who loses the first fight will also lose the next in the government. But a defense minister who wins the first fight will also win those following, said Carl Bildt, and he hoped that probably Borje Andersson would discontinue agreeing with a reduction of the defense budget.

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PAPER: SUB INCURSION INCIDENTS SHOULD REMIND AGAINST CUTS

Stockholm SVENSKA DAGBLADET in Swedish 16 Nov 82 p 2

[Editorial: "Don't Sink the Defense!"]

[Text] Yesterday's interpellation debate in the Riksdag between Defense Minister Borje Andersson (Social Democratic Labor Party) and Riksdag member Carl Bildt (Conservative Party) was revealing--and disturbing.

Formally the interpellation dealt with the unusually serious submarine incursions of this fall. Actually, however, the debate turned to the credibility of the Social Democrats' defense policies.

Bildt could state that if the cuts in defense which Under Secretary Ulf Larsson (Social Democratic Labor Party) of the Cabinet Office--previously under secretary in the Defense Department--acknowledged in Saturday's SVENSKA DAGBLADET become a reality, the entire basis for the 1982 defense resolution will be destroyed. This could not avoid being noticed "on the other side of the sea or seas" as Bildt diplomatically put it.

The defense minister did not want to show his hand in advance by confirming--or denying--the extremely worrisome information about the coming savings in the already hard-pressed defense appropriation. If Larsson's thoughts on the need for defense savings are put into effect, our defense ability will be reduced to far below the level which was set by the 1978 defense committee studies.

After what happened in Harsfjarden--accompanied by unusually clear, not to say brash, notification to foreign powers of Sweden's intentions in the area of antisubmarine warfare--the prime minister must now explain where the government sees the resources which the Defense Department in its entirety can have at its disposal during the next 5-year period.

If more is taken from other branches of the armed forces than is given at the same time to reinforce antisubmarine forces, the total result will be a further reduction of our total defense ability.

With reference to the increased tension between the superpowers during recent years in general, and the increased superpower interest in Swedish territory in particular--we now feel that interest all too well--further savings in the defense area for exclusively national financial reasons can not be approved.

If the government wants to proceed along the lines that Under Secretary Larsson implied, the Riksdag must have the opportunity to adopt an entirely new defense resolution. Because the "old" one--now in effect--exists only on paper, not in reality.

We can afford to defend our peace and freedom. Therefore: Don't sink the defense!

9287

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## ARMED FORCES ENJOYING GROWING POPULARITY AMONG YOUTH

Stockholm DAGENS NYHETER in Swedish 16 Nov 82 p 37

[Article by Eva Hernback and Sven Oste: "Not Only the Peace Movement Grows-- Now More Volunteers Want To Defend Sweden"]

[Text] It is not only the peace movement which is growing stronger these days. The volunteer defense organizations are also noticing an increased interest among the Swedish public. Among several of these organizations recruiting has increased markedly in the past 2 years.

During the 80's the peace movement has become a factor to reckon with in Sweden, spurred by the lively debate on armaments in the world and the threat of a nuclear war between the great powers. The largest peace organizations have many times doubled their memberships during the past 2 years, and the large peace demonstrations have assembled tens of thousands of people.

At the same time the volunteer defense organizations have also experienced an upswing, even though their percentage increase does not compare with the growth of the peace movements.

Volunteer defense includes 21 organizations with a total of 600,000 members-- from the Women's Auxiliary Defense Services and the Central Federation of Women's Motor Transport Corps to shooting clubs and the Swedish Working Dog Club. DAGENS NYHETER has phoned the largest of them and asked about growth of membership during the past 2 years.

In general the volunteer defense organizations have turned a steadily declining curve up again during 1980-82. Membership is often aged, and is declining sharply due to deaths. But new recruiting has now accelerated, and new additions have begun to exceed losses.

## New Members

- The Swedish Home Guard is growing by about 2,000 members per year since the end of the 70's. Volunteer strength is now about 80,500. The increase in the past 2 years has been about five percent.



- The Swedish Women's Auxiliary Defense Services saw the curve turn up in 1980 and now has over 56,000 members. The increase in the past 2 years is 515 members, which corresponds to about 1 percent.

- The Swedish Central Federation of Women's Motor Transport Corps has this year experienced a sudden doubling of membership increases. Since the beginning of the 70's the Women's Motor Transport Corps has had a steady increase of 200-300 members per year, but this year the increase was 530. The percentage increase during the past 2 years is six percent. The total number of members is now nearly 14,000.

- The Swedish Central Federation for Voluntary Military Training (FBU) has a membership of 47,000 and since 1971 has had a regular increase of 1,000-2,000 per year. In 2 years this is an increase of four-five percent.

- The Swedish Civil Defense League, which is the volunteer part of the civil defense, with a membership of 10,000 has noted the first increase this year since the war years. The bottom was reached in 1980-81, and now they have an increase of several hundred members, which corresponds to several percent.

In actual numbers the membership increase of these 5 organizations during the past 2 years has reached 5,000.

#### Volunteer Shooters

Among the large volunteer organizations, the shooting organizations should be mentioned. They have hundreds of thousands of members. The largest, The Swedish Volunteer Rifle Club with 215,000 members had an increase of 15,000 during the same period. Both organizations, however, see themselves primarily as sports organizations. The Swedish Sport Shooting Organization participates in olympic events and belongs to the Swedish Sports Federation.

The membership numbers of the peace movements, going through the 5 largest peace groups, have during the period 1980-82 grown by a total of 15,000 members.

#### Peace Movements

- Swedish Peace and Arbitration Association has during the 2 years increased from 4,000 members to 13,000, more than tripling.

- The Christian Peace Movement has increased from about 1,000 to 3,500 members during the same period, tripling its membership.

- The Women's International League for Peace and Freedom has doubled its membership in 2 years, from 1,000 to 2,000.

- The Swedish Peace Committee is differently organized into a collective association of organizations. The Peace Committee counts 200 member organizations. In past years they have found new ways of working and have even recruited individual members. The increase is calculated at 2,000 individual members during this period.

- Women for Peace, which has existed for about 4 years, has a rather constant membership. Since 1980 it has grown from 1,800 to 2,000 members.

- In the schools there is also comprehensive peace work among the students, now even in the lower and middle grades, according to The Swedish Peace and Arbitration Association and Save the Children, which have had extensive contacts in the schools. Students create peace groups and engage in opinion forming in the schools, with or without teachers and across all age groups, but the extent of this effort will not be surveyed here.

#### Concern in the World Increases Interest

"Defense--Sweden's largest peace movement." This is how the volunteer defense organizations would like to present themselves. Within the volunteer defense they are eager to point out that they have the same goal as the peace movement, and that they should seek to cooperate.

Ystad's FBU participated for example in the presentation of a peace message scroll from Overtorneo via Skane to Goteborg and the large peace meeting there in May. Nine other volunteer organizations in Ystad supported it, and the newspaper FBU-BEFAL gave them a pat on the back.

#### The Submarine

But what is it that is causing the stream of new members to the voluntary defense? Is it the peace debate, events in Poland, or foreign submarines off our coasts?

"We can not claim that the Russian submarine off Karlskrona last fall meant anything for recruiting," said Major Peter Antoni, head of the personnel section of the home guard.

"The submarine at Karlskrona did not cause any sudden increase in willingness for defense service in Blekinge. In that home guard area the increase that year was less than in the rest of the country, by percentage.

The result of the possible submarine(s) near Musko in the fall can first be determined next year.

"But one can see," said Major Antoni, "the effects of crises in the world. There was a sharp increase during the Korean war at the beginning of the 50's, during the Berlin crisis in 1961, the Hungary year 1956, and the events in Prague in 1968."

Christine Barke, chief of The Swedish Women's Auxiliary Defense Services gives three causes for the increasing interest in the work of the services:

#### More Women

"There is a concern about developments in the world and an accompanying curiosity about the possibilities for women within the armed forces. Women's awareness that they also have a part of the responsibility for the defense of Sweden is increasing. They want to obtain knowledge, and choose for themselves where they will make their contribution if there is a war. And so our merchandising has improved. We have increased our recruiting activities as the interest in these questions grows."

"People are worried about the future," said Per Naukhoff, chief of information at the Swedish Civil Defense League. "They are witnessing what is going on in the world, and they are beginning to get interested in their own protection."

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## BRIEFS

NAVY NOT SPARED IN CUTS--"A redistribution of defense money to benefit the navy is not taking place, nor is the question of situating the Naval Academy at Berga instead of Karlskrona being reviewed. The defense resolution of last spring remains, but all must save--even the Defense Department," said Defense Minister Borje Andersson on Wednesday when he left Blekinge after 2 days in Karlskrona and Ronneby. He said he had come to learn, and now what he learned would be helpful. There is still no great hope for changes to benefit the southeastern part of the country. "Unity on dividing defense resources is broad." The defense minister saw no reason to have any other opinion. On his departure from Ronneby he said, however, that regional political needs should be studied. Reorganization plans in Karlskrona are causing 200 defense jobs to be lost during the 1980's. Karlskrona has, since the end of World War II, lost 5,000 jobs in defense work. [Text] [Stockholm DAGENS NYHETER in Swedish 18 Nov 82 p 6] 9287

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## CHURCH-STATE RELATIONS EXAMINED FROM VARIOUS VIEWPOINTS

'Change' Must Affect Church

Athens TA NEA in Greek 1 Nov 82 p 6

/Article by Giannis Katris/

/Excerpts/ The new defeat suffered by the Rightist forces (more accurately, the junta-Right) in the municipal and commune elections, besides having a generally beneficial effect for the cause of democracy had one especially significant benefit: a turn, some awakening in the ranks of the church.

If we were to consider that in the 50 years of the Right (with anti-communism and nationalism as slogans), nearly all the clerics, either obeying orders --and through terrorism-- not, of course, of God but of the prelates, policemen and party bosses, either through traditional ideology, voted for the Rightist party and propagandized the "yes" of Papadopoulos, then we should accept as particularly gladdening the fact that in the recent elections (and especially the communal elections) they voted for not only PASOK but even KKE candidates in a rather large percentage.

#### Today's Priests

Much has changed in the 12 months where the people have crammed the Right into the "corner" of history. And one of these changes, not the least significant, is the liberating trend of the mainly new priests to clean up the church, to bring it closer to the people and to remove it from the mummies whose brains stopped ticking in the Middle Ages....

Among the most hopeful signs of this liberation is the trade union organization of the clerics that shows that they are beginning to realize that they are not "heavenly shepherds" but simple men with flesh and blood, with problems and claims, just as the rest of the non-privileged workers. And this drawing closer to their fellow men removes the priests from the reactionary mentality of their leadership.



## Officially-Proclaimed Good Relations Doubted

Athens I VRADYNI in Greek 5 Nov 82 p 7

[Article by Spyros Alexiou]

[Excerpts] When we use these two terms, church and state, we ~~mean~~ on the one hand the administration of the church, the archbishop, the Holy Synod, the hierarchy and the clergy. According to the lay view, it does not include the faithful people who also are ~~primarily~~ the church. On the other hand, with the term state we mean the government, that is executive and legislative authority. Within the term "state" we do not exclude all of its representatives, and various services and organizations.

We therefore often hear --and recently from official lips-- that the state is getting along well with the church and that there are no problems. That is correct on condition we give the designation "church and state" the meaning we described above. It is thus easier to explain a serious inconsistency between words and deeds.

A relatively short time ago, a meeting between the archbishop and the prime minister was held at the home of the church primate at the initiative of Mr Papandreou. Indeed, this fact impressed the church authorities. It did so because such a visit had not occurred in recent years. At this meeting, the prime minister assured the archbishop that the government wants to have good relations with the church and that he himself had given instructions to have the existing problems settled, as, for example, the bishop's permission for ecclesiastical marriages and the need for both sides to carefully avoid misunderstandings.

### Discretion and Moderation

From the church side, Archbishop Serafeim spoke to the Synod in almost the same vein and recommended discretion and moderation in statements and protests so as to overcome difficulties that naturally arise. The archbishop added, "Without, however, the church being bound to the state because it has its own needs, because although it is self-administered it is not self-powered. I avoid bringing to mind how much the church suffered under ministers and deputy ministers. It is up to us to protect the independence of the church."

Thus, from this short statement, the true followers of the Greek Orthodox Church learn with great joy that all is milk and honey in church-state relations. And also that --and we stress this-- never up to now has any government at its highest levels shown such intentions of having good relations with the church leadership.

The question and the problem is another matter. Let us put it a little descriptively. It is true that previous governments had avoided establishing warm relations with the church administration. Either for reasons of policy or of making an impression

they wanted to show that they snubbed the church. We will not go into details unless we are asked to. However, these governments had left the faithful people completely free. No minister of welfare ever thought of how he could humiliate prelates. No president of "children's homes" institutions ever thought of issuing a memorandum prohibiting morning prayers or church-going to children. No television or radio official, even atheist ones --because most were appointed at that time-- would have dared permit complaints against the church, as is being done systematically and permanently on the program "Every Day Everywhere" and other such programs. (It is another matter that the aggressiveness of the attacks achieves the opposite results in neutral listeners).

No government of the "Right" would have dared to propagandize the benefits of civil marriage in a comic manner, as well as so many other matters, and local officials to triumphantly proclaim with their accomplishments their going counter to the church.

That is the question and the problem. Does the official state representation speak the truth when it says that it wants to have good relations with the church? And if so, then why do the organizations below try in every way possible to make life difficult for simple Christians? Let us hope that it is a coincidence and that it is not a ruse to have cordial relations at a high level on the one hand and conflict and slander among the broad strata on the other hand because if this were to be the case then it would be a very clever and well-prepared plan. This does not mean that it will succeed. Many attempts, many plans were made in the long and recent past by various forces without the expected results. All floundered on one obstacle: the mistrust of the people in the good intentions of the various enemies of the church, some of whom, indeed, have the gall to present themselves as saviors or purifiers of the church.

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## NEED FOR NATIONAL INTELLIGENCE AGENCY SEEN

## Need for Information

Madrid EL PAIS in Spanish 16 Nov 82 pp 18-19

[Text] Madrid--One of the most distressing traits identifying the vulnerability of the Spanish State is the absence of a real national intelligence organization capable of guaranteeing vital, accurate information required to equip its leaders for making decisions on actual grounds. The network of information services exists in conceptual and functional stagnation bordering on chaos, out of focus with respect to its natural targets, indefinite regarding any order of priorities and using most of its energy on a system of multiple interference.

From the dregs there have appeared services enhanced by a certain amount of prestige resulting from their participation in the discovery of the most recent rash attempt, that of 27 October of this year. They relate to the Higher Center of Defense Information (CESID), created by Royal Decree 2723/1977, of 2 November. Previously, the preparation and hearing of the case involving the coup of 23 February 1981 had been marked by constant references to CESID, two of whose members (Comdr Jose Luis Cortina and Capt Vicente Gomez Iglesias) played a role which observers are still vehemently discussing. The image of the eagle leaving no trace of his flight, used enigmatically by Comdr Cortina in the room in which the public hearing took place before the Supreme Council of Military Justice in plenary session, was connected with the other one, gleaned from testimony of accusers obsessed with ascribing to the elusive CESID chief the remark concerning the nature of the two-headed command shared by Gens Milans and Armada in the 23-F coup, with the added final precision guaranteeing that "Armada's eagle's head was larger."

## Delay and Haste

The coup d'etat of 23 February prompted the making of two decisions in the area of intelligence services and, more specifically, in that of CESID. The first was the appointment, in May 1981, of the new director to hold a position which had been vacant for nearly a year, since August 1980, in the person of Staff Col Emilio Alonso Manglano. For this purpose, it was necessary to amend the decree requiring that the appointee have the rank of a general officer. The second meant the expansion of the Center's operational area within the Armed Forces, previously reserved exclusively for the information services of the respective Army, Navy and Air Force headquarters.

The good image earned through the advance discovery of the last rash attempt seems to have been intensified by a prior agreement with the imminent Socialist occupants of the government. Both factors have provided the surprise of a ministerial order which appeared in the 27 October "Official Journal of the Ministry of Defense," whereby regulations are given for the structure and relations to be maintained by ~~CESID~~, the determination of which had been in abeyance since its creation 5 years ago. A 5-year interval was allowed to elapse without action, only to rush hastily, on the eve of elections, into a complete stage of reflection, with a ministerial order that required some analytical considerations.

The new structure given to CESID retains, and even exacerbates the state of confusion in which the Spanish intelligence services had been established. Talks with high-ranking Socialist leaders warrant the assumption that they were consulted to some extent regarding the writing of the ministerial order. From these suppositions, one must infer the lack of autonomous reflection on the part of the PSOE [Spanish Socialist Workers Party] officials concerning issues such as this, of such far-reaching significance. To make the pill digestible, the aforementioned order seeks a connection that would tie CESID in with the information requirements of the chairman of the executive body, "for discharging the functions of directing and coordinating the government's action in the area of defense."

Next, Article 2 stipulates that CESID is organically subordinate to the minister of defense; and, thereafter, the powers conferred are listed, including many that are clearly situated outside of its natural scope and that, with good sense, would have to be assigned to a genuine national intelligence organization established in the presidency of the government, to which we shall have to return subsequently. A maximalist ambition taken from Article 8 of the Constitution, to the effect that "the mission of the Armed Forces is to guarantee the sovereignty and independence of Spain, and to defend its territorial integrity and the constitutional order," is used in the ministerial order to take over that mission with a notion of exclusiveness, as if that mission were not also incumbent on all citizens, and did not result from the constant participation of all the State organs.

This monopolistic approach has prompted the assignment of the following mission, among others, to CESID: "To procure, evaluate and disseminate the information necessary for preventing any external danger, threat or aggression against the independence or territorial integrity of Spain, and to insure its national interests." The ministerial order states that this information will include the political, economic, technological and military areas. Without any effort, one can observe that this is a mission far exceeding those assigned to the Ministry of Defense, and, rather, one germane to specific services, such as those of the presidency of the government.

#### Stop-Gaps and Mollifiers

The same might be said of the second and fourth missions included in the following wording: "To counter the espionage and activities of the foreign intelligence services making attempts against the national security or interests, by means of the prevention, detection and neutralization thereof both inside and outside of the national territory"; and "to procure, evaluate and disseminate the information relating to internal processes which, with anticonstitutional procedures, make



attempts against the unity of the nation and the stability of its fundamental institutions."

The provision that has been analyzed also declares that CESID "will cooperate and will act in coordination with the services of the Ministry of Interior insofar as the defense of the constitutional order and internal security are concerned; with the Ministry of Foreign Affairs, with respect to external information; and with the rest of the ministerial departments in connection with the contribution which they must make to the defense policy." The provision leaves unresolved the form which this cooperation will assume, and makes no stipulation regarding the coordinated action that it proposes. A chief of staff remarked that the most fundamental administrative experience would warrant the prediction that those goals will remain unfulfilled.

Coordination is impossible with equal levels; the chain of command is basic for its effectiveness; and the weakness of a mere ministerial order confirms the prediction. Moreover, the CESID director is given the authority to "maintain contact with other information services or centers of foreign countries," and that of "maintaining mutual contact and cooperation with public or private agencies, entities and persons that are useful for the purpose of obtaining the information required for the national interests."

All the foregoing designs CESID as the backbone of the intelligence services, in an anachronistic interpretation of the social role that it has been desired to give to the Army as backbone of the nation, just now when its functional redefinition as an armed branch of the State and the last resort for the exercise of national sovereignty is beginning to become clear.

If we move from the structure, missions and powers of CESID to the area of personnel, Article 13 of the ministerial order states that its administrative status "will be that of activity in its entities of origin, and the time of the services rendered therein will be reckoned, for all purposes, toward promotion or higher rank." It also explains that, "for purposes of rating and promotion of personnel coming from the Armed Forces, CESID will have the nature of an operative agency or the equivalent." This is a stop-gap meant to mollify the lack of continuity stemming from this type of service, as a result of the obligations which the military profession imposes with regard to minimal periods of command required to meet the conditions for promotion.

But these facilities, which unquestionably have an adverse effect upon the rules for promotions, do not consider the deepseated nature of the incompatibility caused between the intelligence services and stability in the military profession, triggering a perceptible discord among those experiencing this situation; among other things, because the professional military arrive instilled with a most particular ethic which is very poorly suited to the activities and functions of the intelligence services.

In his wonderful analysis of British military incompetence, Norman F. Dixon notes that "this fatal preference for honorable ignorance, instead of opting to acquire the necessary information, was a mental attitude which penetrated the highest levels of military espionage." In his opinion, "The history of the different espionage



and counterespionage departments is a history of organizations with insufficient, poorly equipped personnel, and Cinderellas from the Army, attempting to perform their mission, confronted with the disdain, jealousy and resentment of the chiefs of staff. The bad opinion which the society, and the Army in particular, have had of the espionage services created a vicious circle of third-rate recruitments, which caused a lax discharge of the missions that, in turn, only prompted a heightening of the general antipathy toward this service."

Napoleon was correct when he warned that, "In war, as in politics, the time that is lost as a result of lack of information can never be recovered." And, in the words of Gratian, recalled by a chief of staff, "Man without information, world in darkness." The precedents for intelligence services can be traced back to prehistoric times, but their contemporary formation acquired a definitive acceleration at the height of the last two World Wars, as did many other activities in highly diversified areas, ranging from nuclear physics to aviation or organic chemistry. Their first development took place within the area of the Armed Forces; but, when the war ended in 1945, these all-important tools of power were gradually cut off from military control among the democratic powers, and organized under immediate subordination to the political authority, at its highest level. None of this precluded the incorporation into their service of many members of the Armies, who chose to give up the military profession in order to continue with this mission.

In the view of a leading staff member, "Only a civilian intelligence system, commanded and served by individuals who are specifically and definitively engaged in that task, can neutralize the arbitrariness of coup attempts in the entire breadth of their networks, when there are any, and, beyond the defense area, deal properly with other fields of information which have been completely neglected in our intelligence activities." The streamlining of intelligence activities entails the existence of a single headquarters for the entire system, situated in the presidency of the government, and the training and qualification of suitable selected professionals, with the understanding that those coming from the Armed Forces will have to agree to give up the military profession.

All the democratic countries have very strong intelligence organizations, to facilitate the management and defense of the state in the most important areas. Spain has traditionally been a "weak power" in the realm of intelligence, because a strong state has not yet been set up. Here, the maintenance of a personal dictatorship, focused on the obsession of perpetuating the personal power of General Franco, has been shown to be completely compatible with the most ridiculous weakness in the intelligence services in all matters except prevention of the activities of the democratic opposition, regarded as the quintessence of subversion. The retrogression of Ifni, the process of independence in Guinea and the thwarted self-determination and abandonment of Sahara, including a "green march," are some of the evidence of the superiority of a Third World country like Morocco in the intelligence field.

The dictator maintained an overt mistrust of the intelligence services, which went beyond the game of slander and attack against his democratic opponents. His main concern was to insure the dispersion and inefficacy of the services, in which he always discerned a potential threat; in short, the same tactic that he used with regard to the Armed Forces themselves, which were systematically kept in a state of need and inoperativeness. In any event, the intelligence service of

the Burgos headquarters, directed by Col Ungria, whose anticipated memoirs are unexpectedly in the possession of Manuel Fraga, served to launch three of his aides, who achieved long-term subsequent success: Jose Melia, Jose Banus and Eugenio Peydro, the unforgettable promoter of Sofico.

A well-known Spanish expert in the field recently pointed out how, in the United States, the war's Office of Strategic Services gave rise to the creation of the CIA; the former German military intelligence services became the present BND and BFV; the legendary British Intelligence Service took shape in the civilian MI-5 and MI-6 of our time; the famous French "Deuxième Bureau" whose title accurately reflected the fact that military intelligence had been traditionally linked with the second sections of the staffs, became the current civilian SDECE; and, finally, the Italian Defense Intelligence Service (SID), which had again and again been involved in coup attempts, once transferred to the civilian area, came to be subordinate to the presidency of the Council of Ministers.

In short, as the aforementioned expert noted, in other democratic countries the process brought about the creation of the state intelligence services, while the Armed Forces confined their activity in this area to their own specific missions. In Spain, the procedure has now been the reverse, extending the powers of CESID, an agency of the Ministry of Defense, to the entire State. A high-ranking official cited to EL PAIS the unfeasibility of measures which turn over to those holding power all the authority for information. Paradoxically, Adm Luis Carrero Blanco had far more clearcut ideas in the service of his sectarianism and obsessions.

The Central Documentation Service (SECED) was established, under his command, in the Ministry of the Presidency of the Government itself. The organization was served by professional military men, as befitted his notion that only they were completely trustworthy. The leaders, headed by the now convicted Col Jose Ignacio San Martin, were carefully selected, and had absolute dedication to the impossible task of insuring the "continuous movement." In brief, they rendered top-flight services to its inspirer. The former SECED (the visible part of the "iceberg") was far more complete than CESID: It dealt with restricted and clandestine intelligence and counter-intelligence through the National Counter-Subversive Organization (OCN), with three basic areas (students, priests and workers), wherein a decisive role was played, for example, by the then Lt Col Armando Marchante.

All the foregoing makes it clear that there is still in abeyance the task of undertaking the structuring of a genuine National Intelligence Community, which will coordinate the information from all departments and develop a real National Information Plan, assigning to the various services the different targets thereof, and setting up the suitable organs for coordination and control. The ministerial order relating to CESID that has been analyzed here leaves that gap unfilled and, owing to its administrative status per se, is incapable of insuring the minimal amounts of coordination that it is intended to achieve.

#### Current Intelligence Services

Madrid EL PAIS in Spanish 16 Nov 82 p 18

[Text] A text which has become a classic in this intelligence realm claimed, in 1976, that 11 information services existed in Spain, the majority of which were

in the hands of the military. Among others, it mentioned the following: Central documentation service (SECED) of the ~~presidency~~ of the government; created by Adm Luis Carrero Blanco, who appointed as its chief Artillery Lt Col Jose Ignacio San Martin. His second in command was initially Cavalry Lt Col Federico Quintero Morente. San Martin was replaced in 1974, under the presidency of Carlos Arias Navarro, by the then Infantry Comdr Juan Valverde Diaz; and later, under Adolfo Suarez, the post was occupied by Lt Col Andres Casinello. At the end of 1975, this service had about 230 full-time military. In addition, others served part-time, and were assigned to different information services from which they leaked to SECED data of interest to it. SECED subsidized extremist groups which participated in attacks and acts of vandalism of that element's type. It also kept very close, regular contacts with the American CIA, as Jesus Ynfante notes in his book, "Franco's Army." In 1977, the infrastructure and much of the personnel were integrated into the current CESID.

Supreme General Staff Information Service. It was engaged basically, although not exclusively, in counter-espionage. Its members acquired a reputation for integrity, although it had notorious extremists on the local level. Its Achilles' heel was the agents abroad, assigned on rather inconsistent bases. The Supreme General Staff went out of existence upon the creation of the Joint Chiefs of Staff and the Ministry of Defense.

The information services of each of the military ministries, now general headquarters of the Army, Navy and Air Force. Their location in the so-called Bis section gave rise to their name: SIBE. The Army SIBE was directed by the then Col Jose Saenz de Tejada y Fernandez de Bobadilla. On its various echelons, it had the titles of ESIBE (Ministry of Army), RESIBE (Military Region) and OSIBE (Regimental Area).

Civil Guard Information Service (SIGC), called "la brigadilla" [little brigade] in slang. Created for purely political missions, it acquired a very sizable expansion in personnel and facilities.

General Directorate of Security Information Service. During the Franco regime, its key positions were always in the hands of the military.

In addition, mention is made of other information services, such as those of the "movement," of the former combatants, of the Franco guard force and of the verticalist trade union organization.

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